

Economic Trends

No. 563
October 2000

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London: The Stationery Office

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In Brief

Articles

This month we feature four articles.

Rocky Harris of National Statistics outlines recent developments in environmental accounting. Environmental accounts are now an established part of national accounts and they have been progressively developed over the last few years and the results published including summaries in the *National Accounts Blue Books* for 1999 and 2000. This article focuses on developments in three of the main areas covered by the accounts: atmospheric emissions and energy consumption, fossil fuel and other material resource use, and environmental protection expenditure (page 35).

Bénédicte Terryn of National Statistics discusses the new Classification System for the Retail Prices Index. This has been designed to combine the changes needed to update the current system with a move to the Classification by Individual Consumption by Purpose (COICOP), an internationally agreed classification system for consumer expenditure and prices. The advantages of the main benefits of the new classification system are mainly a higher consistency of ONS indicators and an improved breakdown by area of consumption. Goods and services indexes will continue to be published and there will be no impact on the values of the all items RPI, RPIX, RPIY or the Rossi Index (page 41).

Sandra Short of National Statistics examines the use of time use data in the Household Satellite Account. A Programme of work has begun to measure and value unpaid work; this will be included in a Household Satellite Account linked to the main National Accounts. 'Productive' activities carried out in the household have been identified. The article looks only at the labour input to the household satellite account, which can be measured by the time spent in productive activity and estimates of this are obtained from time use surveys (page 47).

Adam Douglas of National Statistics provides an update and review of the Regional Household Accounts Methodology. The European System of Accounts 1995 (ESA95) was implemented at the national level in 1998. The ESA95 principles were extended to the Regional Household Sector Accounts published in October last year, based on *Blue Book* 1998 controls. The processes used to calculate a number of the regional components have been reviewed and updated. The article provides a broad overview of both the methodological and system changes that have occurred since Household Income estimates were last published, in the October 1999 edition of *Economic Trends* (page 57).

Recent economic publications

Annual

UK Balance of Payments 2000 (Pink Book). The Stationery Office, ISBN 0 11 621277 2. Price £39.50.

UK Input-Output Supply and Use Tables 1998. The Stationery Office, ISBN 0 11 621375 2. Price £39.50.

UK National Accounts 2000 (Blue Book). The Stationery Office, ISBN 0 11 621276 4. Price £39.50.

Quarterly

Consumer Trends: 2000 quarter 2. The Stationery Office, ISBN 0 11 621317 5. Price £45.

UK Economic Accounts: 2000 quarter 2. The Stationery Office, ISBN 0 11 621275 6. Price £26.

UK Trade in Goods Analysed in Terms of Industries (MQ10): 2000 quarter 1. The Stationery Office, ISBN 0 11 538056 6. Price £75 p.a.

Monthly

Consumer Price Indices (MM23): June 2000. The Stationery Office, ISBN 0 11 538012 4. Price £185 p.a.

Financial Statistics: September 2000. The Stationery Office, ISBN 0 11 621192 X. Price £23.50.

Monthly Review of External Trade Statistics (MM24): June 2000. The Stationery Office, ISBN 0 11 538021 3. Price £185 p.a.

All of these publications are available from The Stationery Office, telephone 0870 600 5522, fax 0870 600 5533, e-mail bookorders@theso.co.uk or The Stationery Office bookshops; details on the inside back cover.

Economic Update - October 2000

by Geoff Tily, Macro-Economic Assessment - Office for National Statistics

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Overview

In the second quarter of 2000 GDP growth rebounded from a slower first quarter. The acceleration was due to very strong energy output, a return to growth in some manufacturing industries and services growth driven by very strong business services output. Underpinning the headline figures, growth by industry continues to reveal a mixed picture. External information saw increased growth in the service sector, but ongoing decreasing optimism in the manufacturing sector. Household demand slowed into the first half of 2000. Investment demand also remains subdued, possibly as a consequence of slowing profits and increasing borrowing. On trade, demand for both imports and exports remains strong. Labour market information continues to show ongoing marked improvements to both employment and unemployment, although employment is falling in the manufacturing sector. Contrasting with the strong labour market picture are prices data. Average earnings growth continues to slow, and consumer prices remain subdued, with fuel price increases offset elsewhere. On the other hand there is some evidence of a modest pick up to input prices, with output prices also increasing, but not to the same extent.

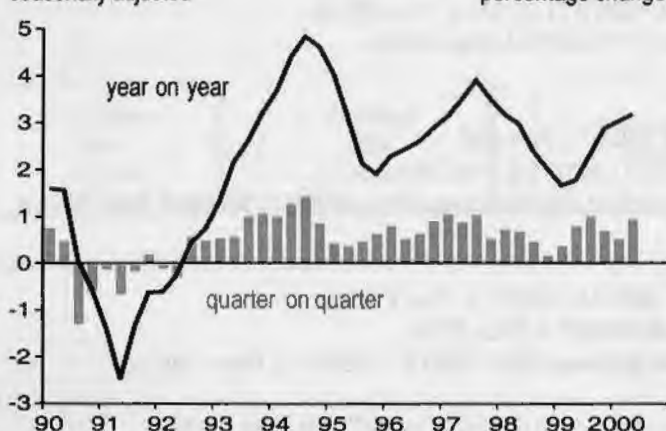
GDP Activity

GDP activity in the second quarter of year 2000 showed a pick up in growth following a slight slowdown in the first quarter. Quarterly growth rose to 0.9 per cent compared with growth of 0.5 per cent in quarter one, while annual growth increased to 3.2 per cent compared with 3.0 per cent. The pick up in quarterly growth came from three sources, very strong growth in the energy sector, an increase in growth in the service sector and a recovery in the manufacturing sector following the decline seen in the first quarter (chart 1).

Chart 1

GDP

seasonally adjusted



Growth in the energy sector in quarter two was 5.4 per cent, a figure much higher than the norm. Behind the growth were cooler weather than usual for the time of year, increased production as a number of maintenance schemes finished and an increase in gas exports to EU economies, partly driven by higher prices on the continent.

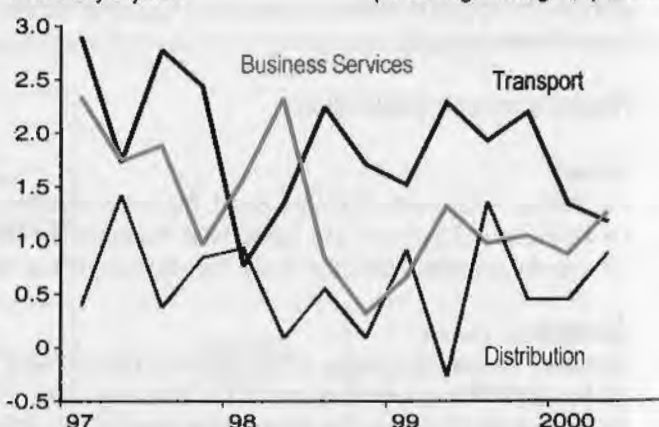
The service sector was estimated to have grown by 0.9 per cent, following

by a strong increase in growth in business services and finance industries, for example legal activities, accountancy, architecture as well as the computer service industry. Chart 2 shows that prior to this movement, there may have been modest evidence of a slowdown in growth of all private sector service industry outputs.

Chart 2

Services output
seasonally adjusted

percentage changes, quarters

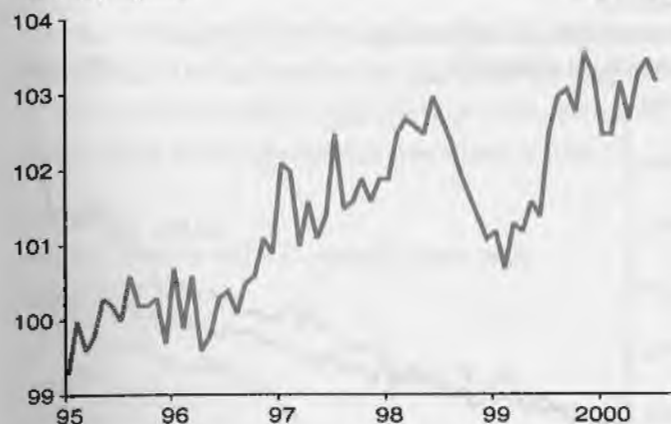


The headline GDP data also reflected a return to growth in the manufacturing sector, with quarterly figures up to 0.4 per cent from a decline of 0.5 per cent in the first quarter. However disaggregated data continued to show that growth in most industries was subdued, with the sector as a whole continuing to be driven by the growth to the key technology sectors, in particular office machinery and computers and radio, TV and telecommunications, outside these sectors growth remains subdued. In July, a fall in output of some of these industries as well as the production of cars saw a fall in aggregate output (chart 3 shows the IOM index).

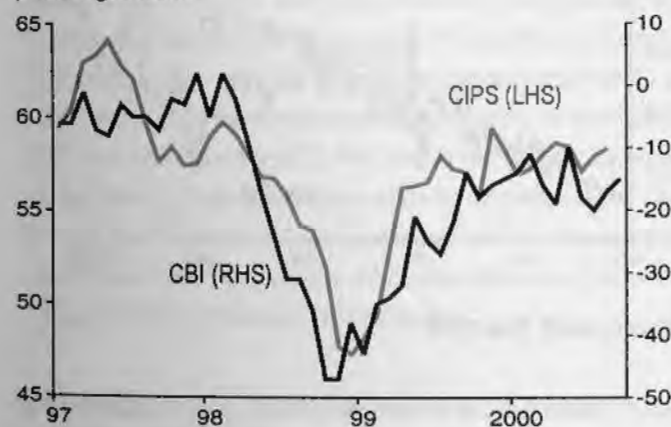
Recent external information for the manufacturing and services sectors

Chart 3Index of manufacturing
seasonally adjusted

1995 = 100



trends in CBI total order books can be broadly described as flat since the end of 1999, up significantly from the recent trough at the end of 1998, but still below figures seen between 1995 and 1997. The CIPS business services index continues to show relatively robust growth, but again the figures have been fairly flat since the second quarter of 1999, with little evidence of any acceleration in growth.

Chart 4CIPS services and CBI manufacturing
percentage balance**Domestic demand**

Figures so far in the year 2000 largely support a slowdown in domestic demand. National Accounts household final consumption data shows household demand growth of 0.8 per cent in the second quarter of 2000, following 0.6 per cent in the first quarter. Annual growth comparing the latest quarter with the same quarter a year ago fell to 3.7 per cent from 4.0 per cent in quarter one. Looking ahead of the second quarter, monthly retail sales data showed an increase into August following a more modest increase in July; growth in the three months to August was 1.1%, up from July and from figures earlier in the year (chart 5). It remains notable that at an annual rate, retail sales volume growth in the three months to August was 4.2 per cent, while value growth was only 3.0 per cent, reflecting

falling goods prices in this sector. Echoing these figures, in August both GfK and MORI indices of consumer confidence saw increases over the same period. While both the CBI and British Retail Consortium figures show retailers reporting subdued sales over the period.

Chart 5Retail sales volume
seasonally adjusted

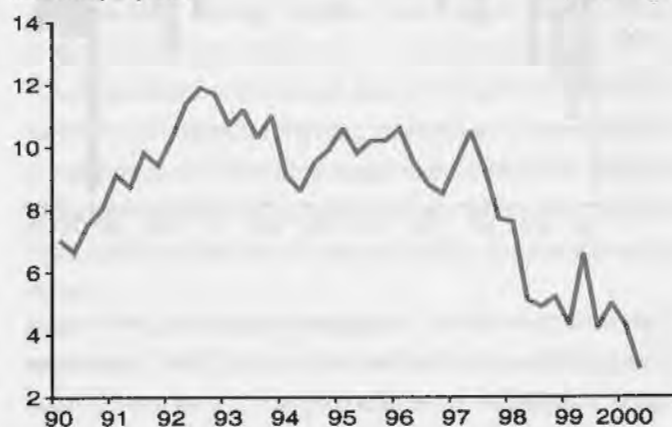
percentage change



Overall however, the ongoing increases to household expenditure are continuing to drive the household saving ratio downwards. Chart 6 shows the ratio in the second quarter of 2000, at 3.0 per cent, equal to its lowest value for 33 years.

Chart 6Household saving ratio
seasonally adjusted

percentage



Turning to investment demand, data here continues to show an overall subdued picture. National Accounts data shows business investment picking up by 0.5 per cent into the second quarter, following a decline of 0.1 per cent in the first quarter. Chart 7 shows how volatility in recent quarterly growth figures underpins a more substantial decline in annual growth, from 17.6 per cent in the first quarter of 1998 to 1.5 per cent in the latest quarter. This slowdown in investment may be partly driven by a slowdown in profit growth and the overall financial position of the corporate sector.

Chart 7

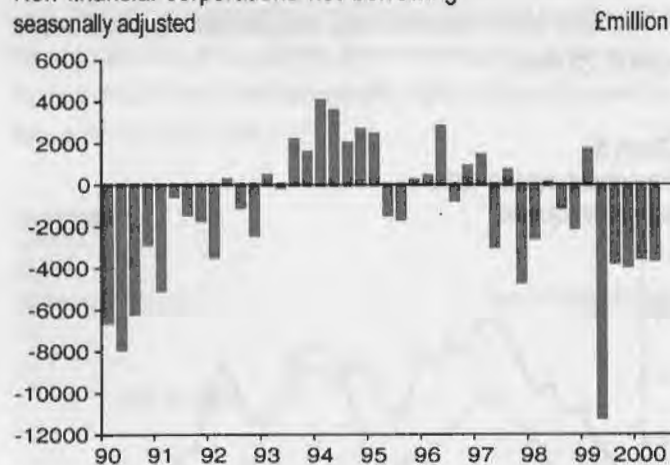
Business investment
seasonally adjusted



Net borrowing of the 'private non-financial corporation' sector was £3.6 billion in the second quarter of 2000, little changed from the previous quarter, but continuing a spell of borrowing that began in 1997 (chart 8). This situation has arisen as profits have slowed, while investment and other payments such as interest and dividends have remained high.

Chart 8

Non financial corporations net borrowing
seasonally adjusted



Finally on domestic demand, import growth remains strong, with volumes growing by 2.8 per cent in the three months to July. Chart 9, import index number excluding oil and erratics continues to show non-EU import growth dominating EU import growth.

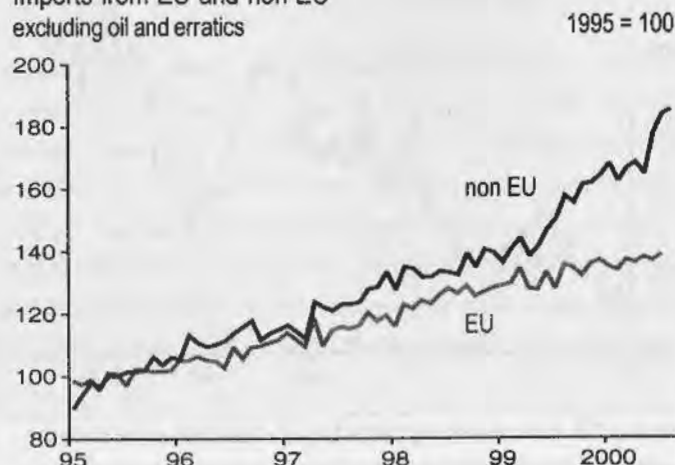
Overseas demand

Overseas demand for UK products continues to remain strong, with growth in the three months to July of 1.9 per cent. Chart 10, export index numbers excluding oil and erratics, shows ongoing strong growth to non-EU economies, notwithstanding a fall in July. Since the middle of 1999, exports to EU economies have been more subdued, but latest figures show a surge of volumes into June and July. Also notable in the trade data is a slowdown to service exports; in the second quarter of

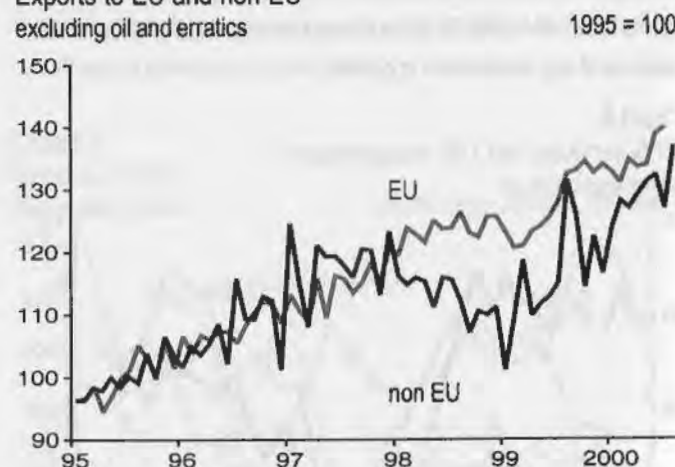
2000, while goods exports grew at 12.7% compared with the same period a year ago, services saw a fall of 2.5 per cent.

Chart 9

Imports from EU and non-EU
excluding oil and erratics

**Chart 10**

Exports to EU and non-EU
excluding oil and erratics



Government finances

Outturn data for public sector finances in 2000-01 is recording an ongoing improvement over 1999-2000, with a surplus of £1.4 billion in April-August 2000 compared to borrowing of £1.5 billion in the same period of the previous year. While expenditure growth is stronger than last year, borrowing remains low because tax revenues remain strong.

Labour Market

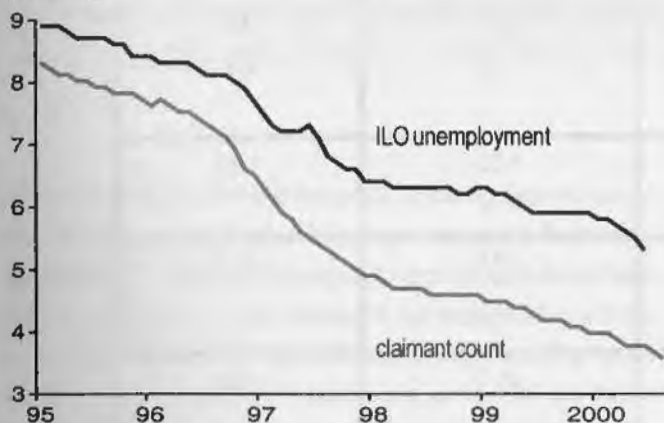
The latest labour market dataset shows ongoing improvements to both unemployment and employment. Labour force survey data shows employment increasing by 93,000 comparing May - July with February - April, growth of 0.3 per cent. Interestingly, the majority of these jobs were part time, and the whole increase is accounted for as an increase to female employment. Furthermore job increases continue to be concentrated in the service sector. Manufacturing employment, which had showed some slight evidence of a slowdown in its rate of decline around the turn

of the year, is now seeing resumed acceleration in job losses. Since January 2000, nearly 50,000 jobs have been lost.

The ILO unemployment rate has seen a particularly sharp reduction since the start of the year, improving to 5.3 per cent in May – July, up from 5.5 in the previous period and 5.9 per cent at the start of the year. At the same time the claimant count rate has steadily declined (chart 11).

Chart 11

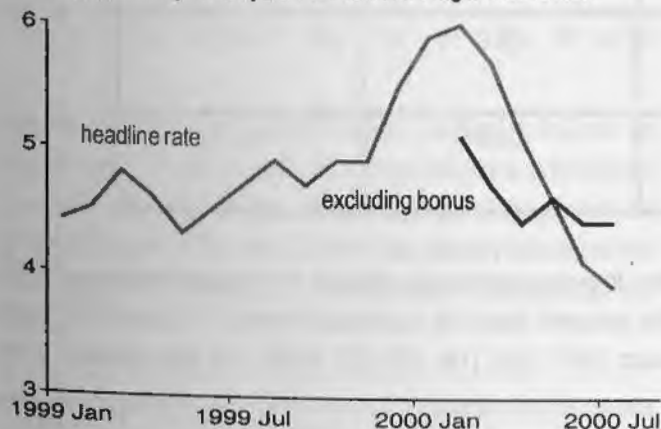
Claimant count and ILO unemployment rates percentage



Despite the ongoing improvements in the labour market data earnings growth continues to record slowing growth. The headline rate of average earnings growth in July 2000 fell to 3.9 per cent compared with 4.1 per cent in the previous month and was substantially below the recent peak of 6.0 per cent in February 2000. Both the fall and the peak have been exaggerated by high bonus payments over the millennium period. Chart 12 also includes the limited comparable data excluding bonuses; here growth over recent months is seen to be more stable around 4.4 per cent; again the limited evidence is of no acceleration.

Chart 12

Average earnings index headline rate and year on year rate for excluding bonus series

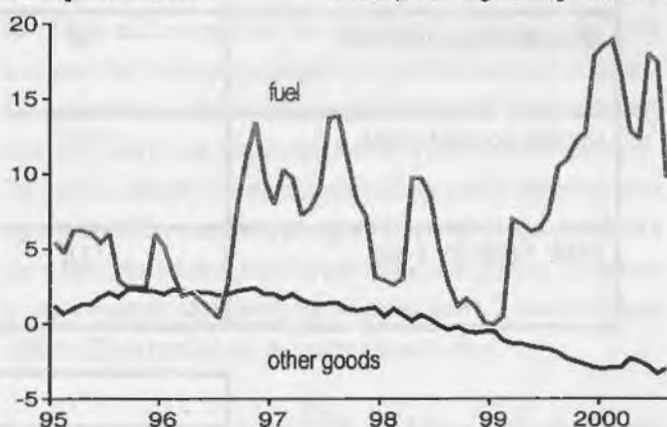


Prices

The government's target rate of inflation, RPIX fell sharply to 1.9 per cent in August 2000 following inflation of 2.2 in the previous month. Ironically the main driver of this slowdown was a reduction in the price of petrol. Chart 13 compares the 'petrol and oil' inflation, with the inflation rate for 'other goods' (which excluded food, alcohol and tobacco), presently falling by 3.0 per cent per annum. With services inflation slowing since the start of the year, outside fuel the inflation facing consumers remains subdued.

Chart 13

Retail price index other goods and fuel annual percentage changes, months



Producer prices on the other hand continue to show accelerating inflation at annual rates, although headline rates continue to be distorted by changes to oil prices. Underlying input prices figures excluding food beverages tobacco and petroleum show increases input prices of 3.6 per cent on the year, which are only being passed on as 1.3 per cent increases to output prices. It is likely that the recent modest weakening in the strength of sterling may be contributing to the increase in these prices. On the other hand there is little evidence of any acceleration to either of these price series.

Forecasts for the UK Economy

A comparison of independent forecasts, September 2000

The tables below are extracted from HM Treasury's "FORECASTS FOR THE UK ECONOMY" and summarise the average and range of independent forecasts for 2000 and 2001, updated monthly.

	Independent Forecasts for 2000		
	Average	Lowest	Highest
GDP growth (per cent)	3.0	2.5	3.3
Inflation rate (Q4: per cent)			
- RPI	3.2	2.4	4.1
- RPI excl MIPs	2.1	1.5	2.9
Unemployment (Q4: mn)	1.06	1.00	1.13
Current Account (£ bn)	-16.9	-27.5	-11.4
PSNB *(2000-01: £ bn)	-11.6	-21.0	-6.0

	Independent Forecasts for 2001		
	Average	Lowest	Highest
GDP growth (per cent)	2.7	1.5	3.6
Inflation rate (Q4: per cent)			
- RPI	2.5	1.6	3.4
- RPI excl MIPs	2.4	1.3	2.9
Unemployment (Q4: mn)	1.02	0.76	1.26
Current Account (£ bn)	-18.3	-28.0	-7.2
PSNB* (2001-02: £ bn)	-8.5	-22.0	0.0

NOTE: "FORECASTS FOR THE UK ECONOMY" gives more detailed forecasts, covering 27 variables and is published monthly by HM Treasury, available on annual subscription, price £75. Subscription enquiries should be addressed to Miss C T Coast-Smith, Public Enquiry Unit, HM Treasury, Room 110/2, Parliament Street, London SW1P 3AG (Tel: 020-7270 4558). It is also available at the Treasury's internet site: <http://www.hm-treasury.gov.uk>.

* PSNB: Public Sector Net Borrowing (Treasury forecast excluding windfall taxes and associated spending).

International Economic Indicators - October 2000

by Craig Richardson, Macro-Economic Assessment - Office for National Statistics

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Overview

The oil price continues to remain a major influence on the consumer and producer price indices of most countries. A strong contribution from private final consumption and net trade meant that EU15 growth remained strong in quarter one. French economic growth slipped marginally into quarter one, whilst Italian growth remained strong. German economic growth rose into quarter two despite pessimistic business surveys. The vigorous growth in the US continues, although fears of further rises in interest rates have been allayed in recent months by evidence of rising productivity, falling retail sales growth and weaker inflation figures. The Japanese economy returned to positive growth in the first quarter of 2000, driven mainly by private final consumption and a strong resumption in exports, reflecting the improving economic situation in South-East Asia.

EU 15

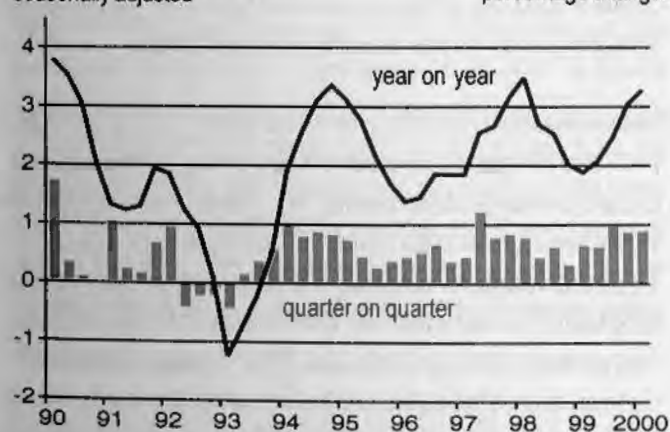
The EU15 economies continued their period of stable growth into quarter one 2000, with quarterly growth of 0.8 per cent, the same as the previous quarter (chart 1). This was driven by a strong contribution from private final consumption and an improvement in the trade position, with the contribution of exports outweighing that of imports. Annual growth of EU15 GDP was 3.3 per cent in quarter one, up from 3.0 per cent in quarter four 1999.

Chart 1

EU15 - GDP

seasonally adjusted

percentage changes



Industrial production in the EU15 economies recovered strongly into the second quarter of 2000. Production had seen a decline in its growth rate from 1.2 per cent in quarter four 1999 to 0.6 per cent in quarter one, but it bounced back to 1.6 per cent in quarter two. Monthly data shows that this is mainly due to a strong figure for May, and is despite a decline into June.

Retail sales grew by 3.0 per cent in the year to quarter one, after growth of 3.5 per cent in the final quarter of 1999. Monthly data available so far for the second quarter shows no change in the index in April, but a rise of 0.9 per cent in May.

Annual growth in consumer prices was 2.5 per cent in July, down slightly from 2.6 per cent in June 2000. This fall will not come as much relief to the European Central Bank, the target ceiling for the Harmonised Index of Consumer Prices is 2.0 per cent, the provisional HICP for the monetary union area was 2.4 per cent in July, the same as in the previous month. The rise in consumer price inflation comes from a rise in the energy price index, with inflation remaining strong at 10.3 per cent in July, and from a rise in food price inflation, from 0.9 per cent in June 2000 to 1.4 per cent in July. Annual growth in producer prices fell from 5.2 per cent in June 2000 to 4.9 per cent in July, the same rate as in May.

Annual earnings growth in the EU15 was 3.6 per cent in quarter one 2000, the same rate of growth as in quarter four 1999. Annual growth in civilian employment slowed slightly into quarter one to 1.5 per cent, down from 1.6 per cent in quarter four 1999. However, quarterly growth shows that there was actually a fall in the index of 0.7 per cent into the first quarter of 2000. Possibly of more interest is the EU15 standardised unemployment rate, this has been falling gradually every month since the peak in June 1997, it reached 8.3 per cent in July 2000, the lowest rate seen since May 1991.

Germany

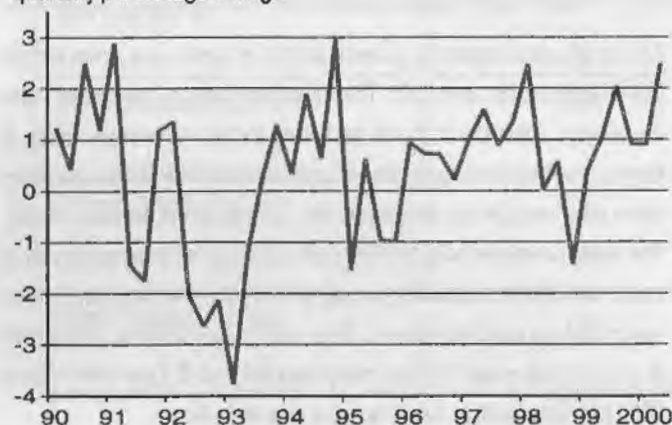
Despite a pessimistic business survey from West Germany, GDP for the German economy as a whole rose by 1.2 per cent in the second quarter of 2000, the highest quarterly rate seen since the first quarter of 1998. This follows two quarters of growth of 0.8 per cent on the quarter. This strong growth was driven mainly by private final consumption, after no contribution to growth in the first quarter of 2000, it contributed 0.7 per cent in quarter two. Stockbuilding also added a significant amount to growth. The contribution of net trade in quarter two was zero, as the contribution of exports remained strong but that of imports rose. As a result of this, the German trade deficit deteriorated sharply into the second quarter after an improvement in the first quarter.

German industrial production also picked up in the second quarter of

2000 (chart 2), with quarterly growth of 2.5 per cent following growth of 0.9 per cent in quarter one. However, monthly figures show that this quarterly figure hides a sharp fall in the index in June. The breakdown of production by type of good shows that the growth in quarter two was pretty well spread out, with consumer durables and non-durables growing the fastest, 4.9 and 4.1 per cent on the quarter respectively. New orders for manufacturing in quarter two, both for domestic and foreign sales, rose sharply into the second quarter.

Chart 2

German industrial production
quarterly percentage change



On the demand side, there are encouraging signs, annual growth in retail sales rose to 4.4 per cent in the second quarter of 2000, following a decline of 0.6 per cent in quarter one. This corresponds with a strong rise in the consumer confidence index into quarter two.

German consumer price inflation remained at 1.9 per cent in July, but then fell to 1.8 per cent in August 2000. The German HICP for July was marginally higher, at 2.0 per cent. As food prices returned to inflation after a period of deflation, the inflation rates for energy and services both fell into August. Annual growth in the producer price index rose from 2.9 per cent in June 2000 to 3.3 per cent in July.

Annual earnings grew by 3.0 per cent in quarter four 1999, up from 2.7 per cent in the previous quarter. Although this is high in recent terms it remains low historically, in the early years of the decade the series was typically around the 6.0 per cent level. Employment rose by 0.4 per cent in the year to the first quarter of 2000, up from 0.2 per cent in quarter four. Growth still remains low compared to the rates recorded at the start of 1999. The unemployment rate remained virtually flat at 8.7 per cent for most of the latter half of 1999, but fell to 8.5 per cent in the first quarter of 2000, and then to 8.4 per cent in the second quarter.

France

The French economy's run of robust growth that started in 1997 continued into the first quarter of 2000, with quarterly growth of 0.7 per cent, down slightly from 0.9 per cent in the fourth quarter of 1999. This decline in growth was despite consistently strong quarterly growth in private consumption and investment. In the first quarter the growth of the contribution of imports slowed to match that of exports, the net effect being no overall contribution of trade to GDP. Evidence of a destocking in the first quarter of 2000 had a negative contribution to GDP; this follows a precautionary build-up of stocks in the fourth quarter of 1999 prior to the millennium change-over. The annual growth rate of GDP for the first quarter was 3.4 per cent, up from 3.2 per cent in the previous quarter.

However, growth in the French index of production has been slipping over the last three quarters, with zero growth in quarter two after growth of 0.7 per cent in quarter one. Production of cars declined by 2.6 per cent in quarter two after growth of 3.1 per cent in the previous quarter, production of agricultural goods also continued to decline into quarter two.

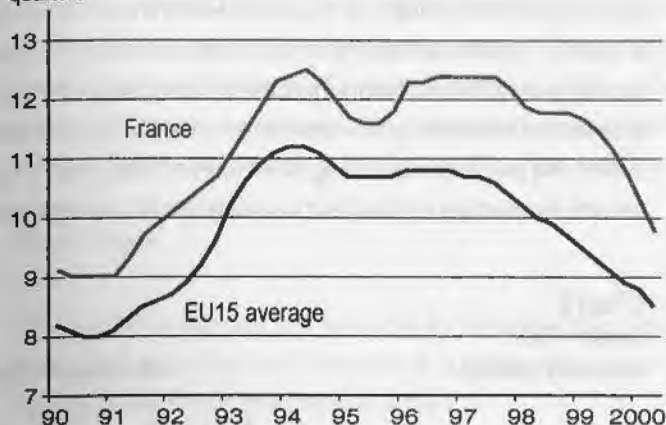
Annual growth in retail sales also slipped in the second quarter of 2000, down from 2.1 per cent in quarter one to reach 1.4 per cent in quarter two. This is mainly the result of a very weak figure from April. As with business confidence, consumer confidence also picked up in the second quarter of 2000. The consumer confidence balance for July 2000 is the highest the series has ever been since it started in 1987.

Annual consumer price inflation remained stable at 1.7 per cent in July 2000, after rising from 1.5 per cent in May. Although inflation of goods, food and services prices all rose into July, inflation for energy prices fell slightly. Annual growth in the French HICP is 2.0 per cent in July, up from 1.9 per cent in June. Annual growth in producer price inflation has been rising sharply for over a year now, from deflation of 1.6 per cent in July 1999 to inflation of 5.0 per cent in June 2000. The large rise in oil prices continues to drive this series, with the annual inflation rate for refined petroleum products at 42.7 per cent in July 2000, up from 41.8 per cent in June.

Annual growth in earnings rose sharply into the first quarter, amid speculation that this was a millennium effect, with bonuses rather than a tightening labour market driving up the index. However, growth has remained strong in the second quarter, with the index growing by 5.3 per cent on the year, up from 5.2 per cent in quarter one. The French unemployment rate continues to fall, down from 10.3 per cent in quarter one to 9.8 per cent in quarter two, although it still remains 1.3 percentage points higher than the EU15 average (chart 3).

Chart 3

France - Unemployment rate
quarters



Italy

Italian GDP grew by 1.0 per cent in the first quarter of 2000, up from 0.6 per cent in the fourth quarter. Annual growth was 3.0 per cent, up from 2.2 per cent in quarter four. Quarter one saw strong contributions from private final consumption and exports as well as a significant negative impact from destocking. The negative contribution of imports in quarter one was lower than in quarter four. Investment continues to contribute around 0.2 per cent to quarterly GDP growth, whilst private final consumption contributed 0.7 per cent.

Growth in Italian industrial production fell slightly into quarter one, with quarterly growth falling from 1.6 per cent to 0.6 per cent. The second quarter saw something of a recovery, with the growth rate rising back to 1.5 per cent. Monthly data shows that this is mainly attributable to a strong figure for May, both April and June saw declines in the index. Capital utilisation rose slightly into the second quarter. Business tendency surveys show that current order books for the second quarter are up on the first quarter, although the level of future orders in the second quarter has fallen.

No new retail sales volume data has been available since the end of 1998, however, one possible proxy of the current situation is the value of retail sales from major outlets. The annual growth in retail sales from major outlets rose from 4.9 per cent in May to 5.5 per cent in June 2000. However, this series remains very volatile and is a value series rather than volume. Consumer confidence had been improving over the first four months of 2000 but fell sharply into May 2000, possibly reflecting the political situation. It then rose again into June and July to reach the highest level seen since mid 1998.

In line with the EU15 average, Italian consumer price inflation rose into June, but then fell slightly into July to reach 2.6 per cent, it then remained at this level in August. Annual consumer price inflation for the second

quarter of 2000 was 2.6 per cent, up from 2.4 per cent in quarter one. Annual growth of the Italian HICP for July was also 2.6 per cent. Annual growth of producer price inflation has risen sharply over the last 12 months, from zero growth in August 1999 it recorded growth of 6.6 per cent in July 2000, although this is down from 6.9 per cent in June.

No new earnings data has been available since December 1999. The last data shows a rise of 1.8 per cent in the fourth quarter of 1999, down from 2.3 per cent in the third quarter. Employment in the second quarter of 2000 rose by 1.5 per cent, up from a fall of 1.2 per cent in the previous quarter. Annual growth was also 1.5 per cent in quarter two. Unemployment fell by 0.1 percentage points to 11.0 per cent in the first quarter of 2000, with the monthly data showing a downwards trend over the quarter and a further fall to 10.7 per cent in April.

USA

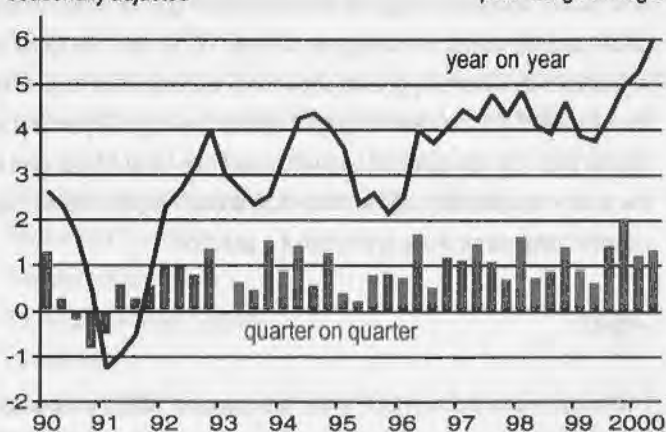
The US economy has grown vigorously since the start of 1992, and the latest figures indicate that this trend is continuing. GDP grew by 1.3 per cent in the second quarter of 2000, up from 1.2 per cent in the first quarter, (chart 4). The main contributors were the continuing strong growth in private consumption (a contribution of 0.5 per cent to GDP) and investment (a contribution of 0.4 per cent to GDP). The second quarter also saw a return to positive stockbuilding, following the destocking in the first quarter. The US trade balance continued to deteriorate substantially, with the growth in the contribution of exports picking up, but the contribution of imports rising faster. In response to the strong economy the Federal Reserve upped the interest rate to 6.5 per cent in May, although fears of further rises have been allayed in recent months by evidence of rising productivity, falling retail sales growth and weaker inflation figures.

Chart 4

USA - GDP

seasonally adjusted

percentage changes



The American index of production continued to grow strongly in the second quarter of 2000, with quarter growth of 1.7 per cent, up from 1.6

per cent in quarter one. The latest monthly figures also show reasonable growth for July 2000. Analysis of production by type of good shows that the small falls in the quarterly growth of production of intermediate and consumer goods was cancelled out by the rise in the growth rates in production of durable manufactures and raw materials. Corporate profits after tax rose by 2.3 per cent in quarter two, after growth of 2.7 per cent in quarter one. Capital utilisation also rose in quarter two, to a level not seen since the start of 1998.

Annual growth in retail sales has been one of the series providing a degree of reassurance to the Federal Reserve. Growth has fallen from 8.5 per cent in quarter one to 7.0 per cent in quarter two, with the monthly data showing a decline from 8.9 per cent in January to 6.7 per cent in June. Preliminary estimates of July do suggest however that the annual rate may have risen again in July 2000. Despite the slowing growth of sales, annual growth of commercial bank loans rose into the second quarter, up from 7.9 per cent in 10.8 per cent in the second quarter of 2000. However, consumer confidence did fall marginally into the second quarter, with initial monthly evidence suggesting that this fall may be sustained into quarter three.

Annual growth in consumer price inflation rose sharply into June, rising from 3.0 per cent in May to 3.7 per cent. It then fell marginally to reach 3.6 per cent in July. Although July saw rises in the inflation rates for food and utilities, it also saw a growing rate of deflation in durable good prices. The primary driver of these figures is however, oil. Annual growth of producer prices rose from 3.9 per cent in May 2000 to 4.3 per cent in June, they then fell back to 4.0 per cent in July, again, these changes are mainly the result of the falling inflation rate for refined petroleum products, which fell from 62.8 per cent in June to 42.0 per cent in July 2000.

The US labour market remains healthy. Annual growth in earnings was 2.9 per cent in the second quarter of 2000, following growth of 4.3 per cent in quarter one due to bonus payments and millennium effects. Monthly data for July and August suggests a similar rate for quarter three. Annual civilian employment growth in quarter two was 1.6 per cent, the same as in quarter one. Quarterly growth shows that the index has recovered from its fall of 0.5 per cent in quarter one to grow by 1.2 per cent in quarter two. The standardised unemployment rate fell to 4.0 per cent in the second quarter, although monthly data shows that the rate did pick up very marginally in August to reach 4.1 per cent.

Japan

Following the contraction of GDP in the final quarter of 1999, the Japanese economy appeared to rebound strongly into the first quarter of 2000, with quarterly GDP growth of 2.5 per cent and annual growth of 0.7 per cent, up from -1.6 per cent and -0.2 per cent respectively. However, some have attributed part of this growth to difficulties with seasonal

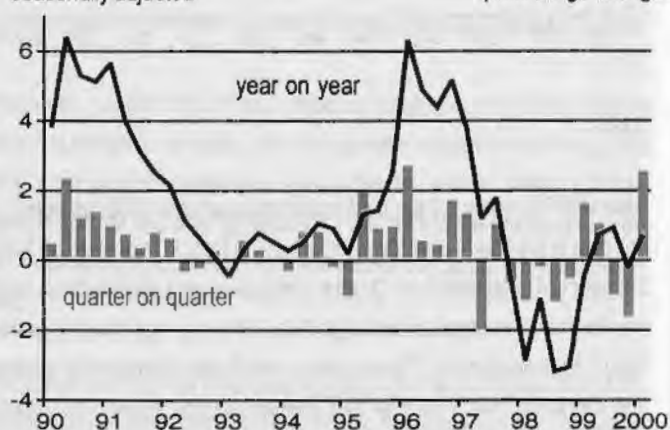
adjustment. According to this data, quarterly growth was driven by private final consumption and a strong recovery in exports, reflecting the improving economic situation in South East Asia at present. However, investment remains lacklustre given the substantial amount of spare capacity present in the economy. The Bank of Japan perhaps indicated a measure of confidence in the Japanese economy, their zero per cent interest rate policy was lifted in August, with interest rates rising to 0.25 per cent, the overnight rate had been at virtually zero for sixteen months.

Chart 5

Japan - GDP

seasonally adjusted

percentage changes



Japanese industrial production continues to show occasional promising signs. Following a dip in the quarterly growth rate to 0.7 per cent in quarter one it then grew by 1.6 per cent in quarter two. However, monthly data show that this movement was driven almost entirely by a strong June figure, and this may have something to do with the fact that the Japanese statistics agency does not adjust for the number of working days in the month. The rate of capital utilisation did pick up into the second quarter though and business optimism for both the current and future level of output improved markedly in quarter two.

Annual growth in Japanese retail sales continues to cause concern. Annual growth for quarter two was -1.9, and the monthly index has shown an annual decline of -1.1 per cent for the three months up to July 2000. However, the index had actually risen in May and June, although it recorded no change in July. Despite this, consumer confidence in the second quarter reached its highest level since the third quarter of 1996.

Consumer prices have been deflating for eleven months out of the last twelve, but have been showing some signs of an upwards trend in recent months. The annual rate of deflation improved from 0.7 per cent in June to 0.5 per cent in July. Annual growth of producer prices has been positive for five months now, although the rate slipped from 0.4 per cent in June to 0.2 per cent in July.

Annual growth in earnings rose from 2.0 per cent in quarter one to 2.3

per cent in quarter two. The annual rate dropped sharply to 1.3 per cent in July 2000 from 2.8 per cent in June, although we should not read too much into one month's figure. The annual rate of employment growth remains negative, although the recent trend is upwards. The quarterly growth of employment rose to 2.3 per cent in quarter one, following a decline of 2.1 per cent in quarter one. The standardised unemployment fell from 4.8 per cent in quarter one to 4.7 per cent in quarter two 2000.

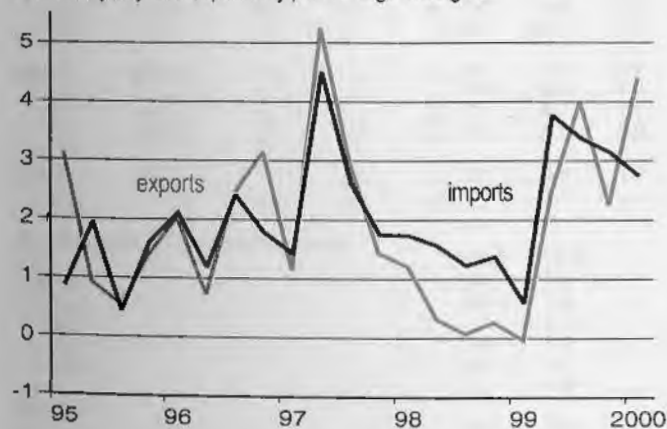
World Trade

The latest world trade data now goes up to the fourth quarter of 1999 which shows quarterly growth of world trade in goods at 2.7 per cent, following growth of 3.4 per cent in quarter three.

OECD trade data is available up to the first quarter of 2000. Exports of goods (which includes manufactures as well as food, beverages and tobacco, basic materials and fuel) grew by 4.4 per cent in quarter one, compared to 2.2 per cent in quarter four. Within this, exports of manufactures alone grew by 4.9 per cent in quarter one, up from 2.3 per cent in quarter four 1999. OECD import growth exceeded that of exports in quarter four 1999 but the situation was reversed in quarter one 2000. Imports of goods grew by 2.7 per cent in quarter one, compared to 3.1 per cent in quarter four 2000, and imports of manufactures grew by 2.8 per cent in quarter one 2000, compared to 3.8 per cent in quarter four 1999.

Chart 6

OECD imports and exports of goods
seasonally adjusted, quarterly percentage changes

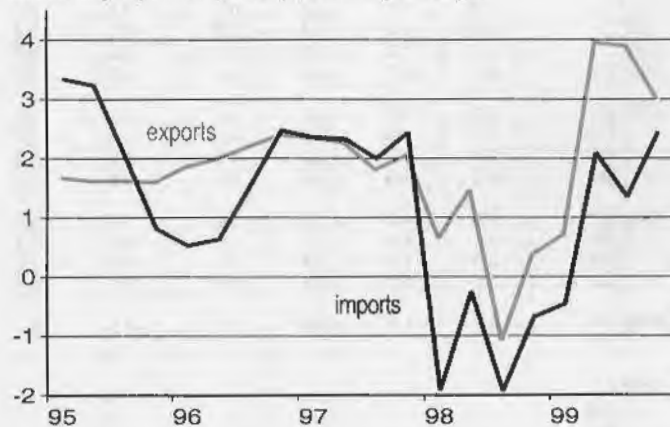


Non-OECD exports of goods grew by 3.0 per cent in quarter four 1999, after growth of 3.9 per cent in the previous two quarters. Within this, exports of manufactures grew by 3.6 per cent in quarter four, down from

5.1 per cent in quarter three. Non-OECD imports suffered the most in the Asian collapse in 1998, but appear to have recovered since then, with growth of goods imports at 2.4 per cent in quarter four of 1999, compared to -0.5 per cent in the first quarter of 1999. Within this, imports of manufactures grew by 2.5 per cent in quarter ones.

Chart 7

Non-OECD imports and exports of goods
seasonally adjusted, quarterly percentage changes



Notes

The series presented here are taken from the OECD's Main Economic Indicators and are shown for each of the G7 (except the UK) economies and for the European Union (EU15) countries in aggregate. The definitions and methodologies used conform to SNA 68 and SNA 93.

Comparisons of indicators over the same period should be treated with caution, as the length and timing of the economic cycles varies across countries.

Data for France, Germany, Italy and the USA has been updated to SNA93 basis. All other tables are on the SNA68 basis. The two bases are not directly comparable meaning that cross-country comparisons with countries on different bases are less valid. All the European data is likely to be put on the SNA93 basis in OECD data very soon. Japan will not be available on SNA93 basis until near the end of 2000.

All data is *seasonally adjusted* except for the following:

- Consumer Price Indices
- Producer Price Indices
- Earnings (excluding Japan)
- Employment

1 European Union 15

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk ¹	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGB	HUDS	HUDT	HUDU	HUDV	HUDW	HUDX	ILGV	ILHP	HYAB	ILAI	ILAR	ILIJ	GADR
1991	1.5	1.4	0.5	0.3	-0.2	0.4	0.9	-0.1	..	5.2	2.2	6.7	0.1	8.4
1992	1.0	0.9	0.5	-0.1	-0.2	0.8	0.9	-1.2	..	4.4	1.2	5.6	-1.8	9.1
1993	-0.4	-0.2	0.2	-1.2	-0.4	0.4	-0.9	-3.6	..	3.6	1.4	4.3	-2.0	10.7
1994	2.7	1.0	0.2	0.5	0.7	2.4	2.0	4.9	..	3.1	2.1	4.0	-0.2	11.1
1995	2.4	1.1	0.1	0.6	0.2	2.3	2.0	3.6	-0.3	3.1	4.5	3.4	0.5	10.7
1996	1.6	1.1	0.3	0.4	-0.5	1.4	1.2	0.6	0.2	2.5	0.6	3.7	0.5	10.8
1997	2.6	1.2	0.1	0.6	0.2	3.1	2.6	3.9	2.5	2.0	0.9	3.2	0.8	10.6
1998	2.7	1.8	0.2	1.2	0.4	1.9	2.8	3.6	3.2	1.7	-0.3	2.5	1.6	9.9
1999	2.4	1.7	0.3	1.1	-0.2	1.5	2.1	1.7	2.9	1.3	-	3.0	1.7	9.2
1998 Q1	3.5	1.7	0.2	1.4	0.6	3.3	3.7	5.5	2.6	1.8	0.8	2.9	1.5	10.2
Q2	2.7	1.6	0.2	1.0	0.4	2.4	3.0	4.6	2.6	2.1	0.3	2.8	1.3	10.0
Q3	2.5	1.9	0.2	1.2	0.2	1.5	2.6	3.2	3.9	1.7	-0.7	2.8	1.6	9.9
Q4	2.0	1.9	0.3	1.0	0.2	0.6	2.0	1.3	3.6	1.3	-1.6	1.8	1.8	9.7
1999 Q1	1.9	1.8	0.4	1.0	-	0.2	1.5	0.3	3.5	1.1	-1.7	2.8	1.8	9.5
Q2	2.1	1.7	0.3	1.2	-0.3	0.8	1.6	0.3	2.2	1.1	-1.0	2.8	2.0	9.3
Q3	2.5	1.7	0.3	1.1	-0.3	1.9	2.3	1.9	2.4	1.1	0.4	2.7	1.6	9.1
Q4	3.0	1.7	0.3	1.1	-0.1	2.9	2.9	3.8	3.5	1.6	2.2	3.6	1.6	8.9
2000 Q1	3.3	1.7	0.2	1.1	-0.3	3.8	3.1	4.3	3.0	2.2	4.0	3.6	1.5	8.8
Q2	..	..	..	..	..	..	..	5.3	..	2.3	4.8	..	..	8.5
1999 Jul	..	..	..	..	..	..	..	1.0	2.8	1.1	-0.1	..	..	9.1
Aug	..	..	..	..	..	..	..	2.6	1.9	1.2	0.3	..	..	9.1
Sep	..	..	..	..	..	..	..	2.3	2.8	1.2	1.0	..	..	9.1
Oct	..	..	..	..	..	..	..	2.8	2.8	1.4	1.6	..	..	9.0
Nov	..	..	..	..	..	..	..	4.1	2.8	1.5	2.2	..	..	8.9
Dec	..	..	..	..	..	..	..	4.7	4.7	1.8	2.8	..	..	8.9
2000 Jan	..	..	..	..	..	..	..	3.0	3.7	2.0	3.5	..	..	8.8
Feb	..	..	..	..	..	..	..	4.9	3.7	2.1	4.1	..	..	8.8
Mar	..	..	..	..	..	..	..	5.0	1.8	2.2	4.4	..	..	8.7
Apr	..	..	..	..	..	..	..	5.1	4.7	2.1	4.3	..	..	8.5
May	..	..	..	..	..	..	..	6.5	4.6	2.2	4.9	..	..	8.5
Jun	..	..	..	..	..	..	..	4.5	..	2.6	5.2	..	..	8.4
Jul	..	..	..	..	..	..	..	..	..	2.5	4.9	..	..	8.3
Percentage change on previous quarter														
	ILGL	HUDY	HUDZ	HUEA	HUEB	HUEC	HUED	ILHF	ILHZ				ILIT	
1998 Q1	0.7	0.6	0.1	0.5	0.1	0.4	0.9	1.1	1.6				-0.6	
Q2	0.4	0.4	0.1	-	-0.1	0.4	0.4	0.6	0.7				1.0	
Q3	0.6	0.4	0.1	0.4	-0.2	0.2	0.3	0.2	0.9				1.1	
Q4	0.3	0.4	0.1	0.2	0.3	-0.4	0.3	-0.6	0.3				0.3	
1999 Q1	0.6	0.6	0.1	0.4	-0.1	-	0.4	0.1	1.6				-0.6	
Q2	0.6	0.2	-	0.3	-0.3	0.9	0.5	0.6	-0.6				1.2	
Q3	1.0	0.5	0.1	0.3	-0.2	1.2	0.9	1.8	1.2				0.8	
Q4	0.8	0.4	0.1	0.2	0.4	0.7	0.9	1.2	1.3				0.3	
2000 Q1	0.8	0.5	0.1	0.3	-0.3	0.9	0.7	0.6	1.2				-0.7	
Q2	..	..	..	..	..	..	..	1.6	..				..
Percentage change on previous month														
								ILKF	ILKP					
1999 Jul								0.9	0.9					
Aug								0.7	-0.9					
Sep								-0.3	-					
Oct								0.5	0.9					
Nov								1.0	0.9					
Dec								-0.3	-					
2000 Jan								-0.7	0.9					
Feb								1.4	-					
Mar								0.5	-					
Apr								0.2	-					
May								1.6	0.9					
Jun								-1.2	..					
Jul								..	..			

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services
IoP = Industrial Production

Sales = Retail Sales Volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total labour force
Source: OECD - SNA68

2 Germany

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILFY	HUBW	HUBX	HUBY	HUBZ	HUCA	HUCB	ILGS	ILHM	HVLL	ILAF	ILAO	ILIG	GABD
1991	..	..	..	..	..	..	..	3.3	5.6	4.1	2.2	6.1	1.9	4.2
1992	1.8	1.3	1.0	0.8	-0.6	-0.5	0.1	-2.5	-2.1	5.0	1.6	5.4	-1.4	4.5
1993	-1.1	0.1	-	-1.1	-0.1	-1.3	-1.2	-7.6	-4.2	4.5	0.1	5.1	-1.0	7.9
1994	2.4	0.6	0.5	0.9	0.3	1.7	1.6	3.6	-	2.7	0.7	3.7	-0.4	8.4
1995	1.8	1.3	0.3	-0.1	0.2	1.4	1.3	1.0	0.8	1.7	1.9	4.0	-0.2	8.2
1996	0.8	0.5	0.4	-0.2	-0.4	1.3	0.8	0.7	-1.1	1.4	-1.2	3.5	-0.3	8.9
1997	1.5	0.4	-0.2	0.2	0.2	2.9	2.1	3.7	-1.6	1.9	1.1	1.5	-0.4	9.9
1998	1.8	1.1	0.1	0.5	0.5	1.8	2.1	4.2	1.0	1.0	-0.4	1.8	0.7	9.4
1999	1.4	1.4	-	0.6	0.2	1.4	2.2	1.6	0.6	0.6	-1.0	2.6	0.9	8.8
1998 Q1	3.0	0.9	-	1.0	0.5	3.0	2.4	6.3	0.8	1.2	0.7	1.3	0.1	9.8
Q2	1.7	0.5	-	0.4	0.5	2.8	2.5	4.7	-0.8	1.4	0.2	1.8	0.4	9.6
Q3	1.8	1.4	0.1	0.5	0.2	1.3	1.9	4.4	2.4	0.7	-0.8	2.1	0.9	9.2
Q4	0.9	1.5	0.3	0.1	0.7	0.1	1.7	1.5	1.9	0.4	-1.7	2.2	1.4	8.9
1999 Q1	0.6	1.4	-	0.2	0.7	-0.1	1.5	-0.6	1.6	0.3	-2.4	2.5	1.5	8.8
Q2	1.0	1.5	-0.1	0.6	0.4	0.5	1.9	0.5	-0.1	0.5	-1.7	2.4	1.3	8.7
Q3	1.8	1.3	-	0.9	-0.1	1.9	2.4	1.9	-0.1	0.7	-0.7	2.7	0.7	8.8
Q4	2.4	1.3	-	0.9	-0.1	3.1	2.8	4.4	0.8	1.0	0.6	3.0	0.2	8.7
2000 Q1	2.3	0.4	0.3	0.9	-0.5	4.0	2.9	4.9	-0.6	1.7	2.3	..	0.4	8.5
Q2	3.6	1.3	0.3	0.5	0.5	4.1	3.0	6.4	4.4	1.6	2.6	..	..	8.4
1999 Aug	..	..	..	..	..	..	..	2.7	0.8	0.7	-0.7	..	..	8.8
Sep	..	..	..	..	..	..	..	3.1	-1.1	0.7	-0.5	..	..	8.8
Oct	..	..	..	..	..	..	..	3.5	2.0	0.8	0.2	..	..	8.8
Nov	..	..	..	..	..	..	..	4.9	-0.9	1.0	0.7	..	..	8.7
Dec	..	..	..	..	..	..	..	4.6	1.3	1.2	1.1	..	..	8.7
2000 Jan	..	..	..	..	..	..	..	2.7	-0.4	1.6	2.0	..	..	8.5
Feb	..	..	..	..	..	..	..	6.0	2.5	1.8	2.4	..	..	8.5
Mar	..	..	..	..	..	..	..	6.1	-3.7	1.9	2.4	..	..	8.4
Apr	..	..	..	..	..	..	..	6.3	5.9	1.5	2.1	..	..	8.5
May	..	..	..	..	..	..	..	8.5	8.1	1.4	2.7	..	..	8.4
Jun	..	..	..	..	..	..	..	4.5	-0.6	1.9	2.9	..	..	8.4
Jul	..	..	..	..	..	..	..	..	..	1.9	3.3	..	..	8.4
Aug	..	..	..	..	..	..	..	..	..	1.8	..	..	..	..
Percentage change on previous quarter														
	ILGI	HUCC	HUCD	HUCE	HUCF	HUCG	HUCH	ILHC	ILHW					ILIQ
1998 Q1	1.2	1.0	0.3	0.3	-	0.3	0.8	2.4	1.4					-2.2
Q2	-0.5	-0.3	-	-0.3	0.1	0.4	0.4	-	-0.7					1.5
Q3	0.3	0.5	-0.1	0.2	-	-0.2	0.2	0.6	0.7					1.5
Q4	-0.1	0.3	0.1	-0.2	0.5	-0.4	0.3	-1.5	0.4					0.6
1999 Q1	0.9	0.9	-	0.4	-	0.1	0.6	0.4	1.2					-2.1
Q2	-0.1	-0.1	-0.1	0.2	-0.2	1.0	0.9	1.0	-2.4					1.3
Q3	0.9	0.3	-	0.5	-0.4	1.1	0.6	2.0	0.7					0.9
Q4	0.8	0.3	-	-0.2	0.6	0.9	0.8	0.9	1.3					0.1
2000 Q1	0.8	-	0.3	0.5	-0.4	1.0	0.6	0.9	-0.2					-1.9
Q2	1.2	0.7	-0.1	-0.3	0.7	1.0	1.0	2.5	2.5					..
Percentage change on previous month														
								ILKC	ILKM					
1999 Aug								1.7	-0.5					
Sep								-1.1	-2.2					
Oct								0.8	3.7					
Nov								0.4	-1.2					
Dec								0.1	0.4					
2000 Jan								-1.2	-0.7					
Feb								2.7	1.9					
Mar								0.3	-1.9					
Apr								0.9	2.6					
May								2.4	4.6					
Jun								-3.1	-7.3					
												
												

GDP = Gross Domestic Product at constant market prices
 PFC = Private Final Consumption at constant market prices
 GFC = Government Final Consumption at constant market prices
 GFCF = Gross Fixed Capital Formation at constant market prices
 ChgStk = Change in Stocks at constant market prices
 Exports = Exports of goods and services
 Imports = Imports of goods and services
 IoP = Industrial Production

Sales = Retail Sales volume
 CPI = Consumer Prices measurement not uniform among countries
 PPI = Producer Prices (manufacturing)
 Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
 Empl = Total Employment not seasonally adjusted
 Unempl = Standardised Unemployment rates: percentage of total workforce
 Source: OECD - SNA93

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	Imports	less Imports	IoP	Sales	CPI	PPI ¹	Earnings	Empl ²	Unempl
Percentage change on a year earlier															
	ILFZ	HUBK	HUBL	HUBM	HUBN	HUBO	HUBP	ILGT	ILHN	HXAA	ILAG	ILAP	ILIH	GABC	
1991	1.1	0.4	0.6	-0.3	-0.2	1.0	0.5	-0.2	-0.2	3.2	-1.2	4.7	0.1	9.5	
1992	1.3	0.4	0.8	-0.3	-0.2	1.0	0.3	-1.1	0.3	2.3	-1.0	4.0	-0.6	10.4	
1993	-0.9	-0.1	1.0	-1.3	-1.2	-	-0.7	-3.7	0.2	2.2	-2.2	3.0	-1.3	11.7	
1994	1.8	0.3	0.1	0.3	1.0	1.6	1.6	3.9	-0.1	1.7	1.2	2.0	0.1	12.3	
1995	1.9	0.9	-	0.4	0.5	1.7	1.6	2.5	-	1.7	5.2	2.4	0.9	11.7	
1996	1.1	0.7	0.5	-	-0.5	0.7	0.3	0.9	-0.3	2.0	-2.7	2.6	0.2	12.3	
1997	1.9	0.1	0.5	-	0.1	2.8	1.5	3.7	1.0	1.2	-0.6	2.6	0.7	12.3	
1998	3.2	1.9	0.1	1.2	0.7	2.0	2.5	5.2	2.6	0.8	-0.9	2.2	1.4	11.8	
1999	2.9	1.3	0.6	1.4	-0.4	1.0	0.9	2.1	2.4	0.5	-1.4	2.5	2.1	11.3	
1998 Q1	3.2	1.5	0.1	1.0	0.5	3.2	3.1	7.5	2.3	0.9	0.5	2.4	1.2	11.9	
Q2	3.5	2.1	-	1.2	0.9	2.4	3.1	6.7	3.1	1.1	-0.3	2.0	1.2	11.8	
Q3	3.3	2.1	-	1.3	0.4	1.7	2.3	3.9	2.5	0.7	-1.4	2.1	1.3	11.8	
Q4	3.0	1.8	0.1	1.3	0.8	0.5	1.6	2.6	2.7	0.4	-2.3	2.0	1.8	11.8	
1999 Q1	2.7	1.5	0.5	1.5	-0.2	-0.1	0.5	1.3	3.4	0.2	-2.8	2.0	1.9	11.7	
Q2	2.6	1.1	0.6	1.4	-0.3	0.4	0.5	0.5	1.8	0.4	-2.4	2.0	2.2	11.5	
Q3	3.1	1.3	0.6	1.4	-0.7	1.5	0.9	2.7	2.2	0.5	-1.2	2.7	2.2	11.2	
Q4	3.2	1.3	0.7	1.3	-0.5	2.3	1.7	4.0	1.9	1.0	0.8	3.4	2.1	10.8	
2000 Q1	3.4	1.6	0.5	1.2	-0.1	3.0	2.7	4.5	2.1	1.5	3.0	5.2	2.5	10.3	
Q2	..	..	..	..	..	..	..	4.1	1.4	1.5	4.7	5.3	..	9.8	
1999 Jul	..	..	..	..	..	..	..	2.5	4.1	0.4	-1.6	..	..	11.3	
Aug	..	..	..	..	..	..	..	2.5	-0.3	0.5	-1.4	..	..	11.2	
Sep	..	..	..	..	..	..	..	3.2	2.8	0.7	-0.7	..	..	11.1	
Oct	..	..	..	..	..	..	..	3.5	0.1	0.8	0.4	..	..	10.9	
Nov	..	..	..	..	..	..	..	4.2	3.1	0.9	0.8	..	..	10.8	
Dec	..	..	..	..	..	..	..	4.1	2.8	1.3	1.3	..	..	10.6	
2000 Jan	..	..	..	..	..	..	..	3.9	1.8	1.6	2.3	..	..	10.5	
Feb	..	..	..	..	..	..	..	5.0	2.4	1.4	3.0	..	..	10.3	
Mar	..	..	..	..	..	..	..	4.7	2.0	1.5	3.4	..	..	10.2	
Apr	..	..	..	..	..	..	..	4.5	-1.0	1.3	4.3	..	..	10.0	
May	..	..	..	..	..	..	..	4.2	4.1	1.5	4.7	..	..	9.8	
Jun	..	..	..	..	..	..	..	3.5	1.2	1.7	5.0	..	..	9.6	
Jul	..	..	..	..	..	..	..	..	-1.6	1.7	..	..	..	9.6	
Percentage change on previous quarter															
	ILGJ	HUBQ	HUBR	HUBS	HUBT	HUBU	HUBV	ILHD	ILHX					ILIR	
1998 Q1	0.9	0.4	-0.1	0.3	0.5	0.6	0.9	1.5	-					0.4	
Q2	0.9	0.7	-	0.4	0.1	0.3	0.6	1.3	1.0					0.2	
Q3	0.5	0.3	0.1	0.3	-0.1	0.1	0.2	-0.4	0.7					0.4	
Q4	0.7	0.3	0.1	0.3	0.3	-0.4	-	0.2	1.1					0.8	
1999 Q1	0.5	0.2	0.2	0.4	-0.5	-0.1	-0.3	0.2	0.7					0.5	
Q2	0.8	0.2	0.2	0.3	-	0.7	0.6	0.5	-0.6					0.5	
Q3	1.0	0.5	0.1	0.3	-0.5	1.2	0.6	1.9	1.0					0.5	
Q4	0.9	0.3	0.2	0.3	0.5	0.4	0.8	1.4	0.8					0.7	
2000 Q1	0.7	0.5	-	0.3	-0.1	0.7	0.7	0.7	0.8					0.9	
Q2	..	..	..	..	..	..	..	-	-1.2					..	
Percentage change on previous month															
								ILKD	ILKN						
1999 Jul								1.3	2.2						
Aug								-	-3.7						
Sep								0.5	1.8						
Oct								0.5	-0.2						
Nov								1.3	1.8						
Dec								-1.0	-0.4						
2000 Jan								0.3	-0.5						
Feb								1.0	1.1						
Mar								0.1	0.6						
Apr								-0.5	-4.0						
May								0.6	3.7						
Jun								-0.6	-1.0						
Jul								..	-0.7						

GDP = Gross Domestic Product at constant market prices
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GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services

Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Wage Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
IoP = Index of Production

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP	Sales	CPI	PPI	Earnings	Empl	Unempl
Percentage change on a year earlier														
	ILGA	HUCI	HUCJ	HUCK	HUCL	HUCM	HUCN	ILGU	ILHO	HYAA	ILAH	ILAQ	ILIL	GABE
1991	1.4	1.7	0.3	0.2	-0.1	-0.3	0.5	-1.8	3.2	6.3	3.3	9.7	1.3	8.6
1992	0.8	1.2	0.1	-0.3	-0.1	1.4	1.6	-1.0	1.8	5.3	2.0	5.4	-1.0	8.9
1993	-0.9	-2.3	-	-2.2	-0.7	1.9	-2.5	-2.3	-2.9	4.6	3.7	3.6	-4.1	10.2
1994	2.2	0.9	-0.2	-	0.8	2.2	1.7	5.8	-6.2	4.1	3.7	3.4	-1.7	11.1
1995	2.9	1.0	-0.4	1.1	0.2	3.1	2.1	5.8	-5.1	5.3	7.9	3.1	-0.6	11.7
1996	1.1	0.7	0.2	0.7	-0.7	0.2	-0.1	-1.5	-1.4	4.0	1.8	3.1	0.5	11.7
1997	1.8	1.7	0.1	0.2	0.3	1.7	2.3	3.8	6.9	2.0	1.3	3.6	0.4	11.8
1998	1.5	1.4	0.1	0.8	0.6	0.9	2.2	1.3	3.0	2.0	0.1	2.8	1.2	11.8
1999	1.4	1.0	0.1	0.8	0.4	-0.1	0.9	-	-	1.7	-0.2	2.3	1.2	11.4
1998 Q1	2.8	1.6	0.1	1.2	1.5	2.4	3.9	5.2	3.8	2.0	1.2	2.2	1.0	11.8
Q2	1.5	1.1	0.1	0.7	0.2	1.5	2.2	2.7	0.4	2.1	0.6	3.1	0.9	11.9
Q3	1.5	1.3	0.1	0.8	0.1	0.7	1.5	0.3	3.2	2.1	-0.1	2.8	1.1	11.9
Q4	0.4	1.5	0.1	0.3	0.5	-0.8	1.4	-2.5	5.1	1.7	-1.2	3.0	1.5	11.8
1999 Q1	1.1	1.5	0.1	0.4	1.0	-1.5	0.4	-1.2	-	1.4	-1.8	3.0	1.2	11.6
Q2	1.1	1.0	0.1	0.8	0.8	-0.7	1.0	-2.5	-	1.4	-1.4	2.1	1.3	11.4
Q3	1.3	0.9	0.1	0.9	0.2	0.1	1.0	0.3	-	1.7	-	2.3	1.2	11.3
Q4	2.2	0.8	0.1	1.2	-0.3	1.6	1.1	3.3	-	2.1	2.2	1.8	1.4	11.1
2000 Q1	3.0	1.1	0.3	1.2	-1.2	3.1	1.4	3.4	-	2.4	4.6	-	1.2	11.0
Q2	-	-	-	-	-	-	-	5.8	-	2.6	6.2	-	1.5	-
1999 Aug	-	-	-	-	-	-	-	2.6	-	1.7	-	2.1	-	11.3
Sep	-	-	-	-	-	-	-	-0.4	-	1.8	0.8	2.1	-	11.2
Oct	-	-	-	-	-	-	-	1.6	-	2.0	1.6	1.9	-	11.1
Nov	-	-	-	-	-	-	-	2.5	-	2.0	2.2	1.8	-	11.1
Dec	-	-	-	-	-	-	-	6.0	-	2.1	2.8	1.8	-	11.2
2000 Jan	-	-	-	-	-	-	-	1.8	-	2.2	3.8	-	-	11.2
Feb	-	-	-	-	-	-	-	4.8	-	2.4	4.7	-	-	11.0
Mar	-	-	-	-	-	-	-	3.6	-	2.5	5.4	-	-	10.8
Apr	-	-	-	-	-	-	-	4.2	-	2.3	5.3	-	-	10.7
May	-	-	-	-	-	-	-	7.8	-	2.5	6.4	-	-	-
Jun	-	-	-	-	-	-	-	5.3	-	2.7	6.9	-	-	-
Jul	-	-	-	-	-	-	-	-	-	2.6	6.6	-	-	-
Aug	-	-	-	-	-	-	-	-	-	2.6	-	-	-	-
Percentage change on previous quarter														
	ILGK	HUCO	HUCP	HUCQ	HUCR	HUCS	HUCT	ILHE	ILHY				ILIS	
1998 Q1	-0.4	0.4	-	0.3	-0.4	0.3	1.0	-0.9	5.1				-0.7	
Q2	0.6	0.5	0.1	-0.1	-	-0.1	-0.2	0.6	-0.5				1.1	
Q3	0.5	0.3	-	0.1	-0.2	0.2	-0.1	-0.9	-				1.4	
Q4	-0.3	0.3	-	0.1	1.1	-1.1	0.7	-1.4	0.6				-0.3	
1999 Q1	0.3	0.3	-	0.3	0.1	-0.4	-	0.5	-				-1.0	
Q2	0.6	0.1	-	0.3	-0.2	0.7	0.3	-0.8	-				1.2	
Q3	0.8	0.2	-	0.2	-0.8	1.0	-0.1	2.0	-				1.3	
Q4	0.6	0.1	0.1	0.3	0.6	0.3	0.8	1.6	-				-0.1	
2000 Q1	1.0	0.7	0.1	0.2	-0.8	1.0	0.3	0.6	-				-1.2	
Q2	-	-	-	-	-	-	-	1.5	-				1.5	
Percentage change on previous month														
								ILKE	ILKO					
1999 Aug								0.9	-					
Sep								-0.3	-					
Oct								0.7	-					
Nov								1.1	-					
Dec								0.2	-					
2000 Jan								-1.0	-					
Feb								1.5	-					
Mar								0.3	-					
Apr								-0.5	-					
May								2.3	-					
Jun								-0.6	-					
Jul								-	-					
Aug								-	-					

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Empl = Total Employment not seasonally adjusted
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Source: OECD - SNA93

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	Imports ^{less}	IoP	Sales	CPI	PPI	Earnings	Empl ¹	Unempl
Percentage change on a year earlier														
	ILGC	HUDG	HUDH	HUDI	HUDJ	HUDK	HUDL	ILGW	ILHQ	ILAA	ILAJ	ILAS	ILIK	GADO
1991	-0.5	-0.1	0.2	-0.9	-0.3	0.6	-	-2.0	-1.9	4.2	2.0	3.2	-0.8	6.8
1992	3.1	1.9	0.1	0.8	0.3	0.6	0.6	3.1	3.4	3.0	1.3	2.7	0.6	7.5
1993	2.7	2.2	-0.1	1.0	-	0.3	0.9	3.4	4.9	2.9	1.2	2.6	1.5	6.9
1994	4.0	2.5	-	1.2	0.7	0.9	1.2	5.5	6.5	2.6	0.6	2.4	2.3	6.1
1995	2.7	2.0	-	0.9	-0.5	1.0	0.9	4.8	3.6	2.8	1.9	2.6	1.5	5.6
1996	3.6	2.1	0.1	1.5	-	0.9	1.0	4.4	4.9	2.9	2.6	3.3	1.4	5.4
1997	4.4	2.4	0.3	1.6	0.4	1.4	1.7	6.3	4.1	2.3	0.4	3.1	2.3	4.9
1998	4.4	3.1	0.2	2.1	0.2	0.3	1.6	4.2	6.4	1.6	-0.9	2.5	1.5	4.5
1999	4.2	3.5	0.3	1.9	-0.4	0.3	1.5	3.5	8.6	2.1	1.9	2.9	1.5	4.2
1998 Q1	4.8	2.8	0.2	2.0	0.8	0.8	1.8	5.7	4.8	1.4	-1.5	2.8	1.9	4.7
Q2	4.1	3.4	0.2	2.2	-0.3	0.2	1.7	4.7	7.5	1.6	-0.8	2.8	1.5	4.4
Q3	3.9	3.0	0.2	1.9	0.3	-0.2	1.3	3.8	5.3	1.6	-0.6	2.5	1.1	4.5
Q4	4.6	3.3	0.3	2.2	-	0.3	1.5	2.9	7.7	1.5	-0.4	1.9	1.3	4.4
1999 Q1	3.9	3.4	0.4	2.0	-0.8	-	1.2	2.8	9.0	1.7	0.7	1.8	1.7	4.3
Q2	3.8	3.4	0.1	1.8	-0.5	0.2	1.4	3.3	7.8	2.2	1.3	2.8	1.4	4.3
Q3	4.3	3.5	0.3	1.9	-0.4	0.6	1.8	3.7	9.3	2.4	2.3	3.7	1.4	4.2
Q4	5.0	3.7	0.4	1.9	0.1	0.5	1.8	4.2	8.3	2.6	2.9	3.6	1.5	4.1
2000 Q1	5.3	4.0	0.7	2.2	-0.1	0.9	2.0	5.4	8.5	3.2	3.6	4.3	1.6	4.1
Q2	6.0	3.6	0.9	2.2	0.7	1.2	2.2	5.9	7.0	3.2	4.1	2.9	1.6	4.0
1999 Aug	..	..	..	..	..	..	..	3.1	10.2	2.3	2.3	3.7	1.6	4.2
Sep	..	..	..	..	..	..	..	3.4	8.7	2.6	3.1	3.6	1.2	4.2
Oct	..	..	..	..	..	..	..	3.7	7.8	2.6	2.8	3.7	1.5	4.1
Nov	..	..	..	..	..	..	..	4.3	8.3	2.6	3.0	3.6	1.5	4.1
Dec	..	..	..	..	..	..	..	4.7	8.9	2.6	2.8	3.6	1.4	4.1
2000 Jan	..	..	..	..	..	..	..	5.2	8.9	2.7	2.5	4.5	1.5	4.0
Feb	..	..	..	..	..	..	..	5.3	8.6	3.1	4.0	4.5	1.7	4.1
Mar	..	..	..	..	..	..	..	5.4	8.0	3.7	4.3	3.6	1.7	4.1
Apr	..	..	..	..	..	..	..	5.9	7.6	2.9	3.9	2.7	2.1	3.9
May	..	..	..	..	..	..	..	6.0	6.7	3.0	3.9	2.7	1.2	4.1
Jun	..	..	..	..	..	..	..	5.9	6.7	3.7	4.3	3.6	1.3	4.0
Jul	..	..	..	..	..	..	..	5.7	..	3.6	4.0	3.6	1.0	4.0
Aug	..	..	..	..	..	..	..	..	..	..	..	2.7	1.0	4.1
Percentage change on previous quarter														
	ILGM	HUDM	HUDN	HUDO	HUDP	HUDQ	HUDR	ILHG	ILIA				ILIU	
1998 Q1	1.6	0.8	-0.1	0.7	0.6	-	0.5	0.6	1.4				-1.0	
Q2	0.7	0.9	0.2	0.7	-0.7	-0.1	0.4	0.7	2.6				1.5	
Q3	0.9	0.7	-	0.3	0.1	-0.1	0.2	0.8	0.5				0.6	
Q4	1.4	0.8	0.1	0.5	-	0.4	0.4	0.8	2.9				0.2	
1999 Q1	0.9	0.9	-	0.6	-0.2	-0.2	0.2	0.5	2.6				-0.6	
Q2	0.6	0.9	-	0.4	-0.4	0.2	0.6	1.2	1.5				1.2	
Q3	1.4	0.8	0.2	0.4	0.3	0.3	0.6	1.2	2.0				0.6	
Q4	2.0	1.0	0.2	0.5	0.5	0.3	0.4	1.2	2.0				0.3	
2000 Q1	1.2	1.2	0.3	0.8	-0.5	0.2	0.4	1.6	2.7				-0.5	
Q2	1.3	0.5	0.3	0.4	0.5	0.4	0.7	1.7	0.1				1.2	
Percentage change on previous month														
								ILKG	ILKQ				ILLA	
1999 Aug								0.2	1.1				-0.4	
Sep								0.2	-0.1				-0.6	
Oct								0.7	0.5				0.7	
Nov								0.3	1.1				0.1	
Dec								0.4	1.4				0.1	
2000 Jan								0.7	0.8				-0.9	
Feb								0.4	1.0				0.4	
Mar								0.6	-0.2				0.5	
Apr								0.7	-0.3				0.6	
May								0.6	0.3				-0.2	
Jun								0.2	0.1				0.8	
Jul								0.4	..				-	
Aug											-0.4	

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Source: OECD - SNA93

Contribution to change in GDP

	GDP	PFC	GFC	GFCF	ChgStk	Exports	less Imports	IoP ¹	Sales	CPI	PPI	Earnings ²	Empl	Unempl
Percentage change on a year earlier														
	ILGD	HUCU	HUCV	HUCW	HUCX	HUCY	HUCZ	ILGX	ILHR	ILAB	ILAK	ILAT	ILIL	GADP
1991	3.8	1.5	0.2	1.1	0.3	0.6	-0.3	1.9	2.5	3.2	1.2	3.5	1.9	2.1
1992	1.0	1.2	0.2	-0.5	-0.4	0.5	-	-5.7	-0.2	1.8	-1.0	1.3	1.1	2.1
1993	0.3	0.7	0.2	-0.6	-0.2	0.2	-	-3.4	-2.8	1.2	-1.6	0.3	0.2	2.5
1994	0.7	1.1	0.2	-0.2	-0.2	0.5	0.8	1.3	0.3	0.7	-1.8	2.2	0.1	2.9
1995	1.4	1.2	0.3	0.4	0.2	0.7	1.4	3.0	0.1	-0.1	-0.7	2.9	-	3.1
1996	5.2	1.8	0.2	3.4	0.4	0.8	1.3	2.2	0.7	0.1	-1.7	2.6	0.5	3.4
1997	1.6	0.3	0.1	-0.3	0.1	1.4	0.1	4.0	-1.9	1.7	0.6	2.9	1.0	3.4
1998	-2.6	-0.3	0.1	-2.3	-0.6	-0.3	-0.9	-6.7	-5.5	0.7	-1.3	-0.8	-0.6	4.1
1999	0.3	0.7	0.1	-0.3	0.1	0.2	0.6	1.0	-2.0	-0.3	-1.5	-0.6	-0.8	4.7
1998 Q1	-2.9	-2.1	0.3	-1.8	-0.1	0.3	-0.7	-4.2	-10.0	2.0	0.4	-0.2	-	3.7
Q2	-1.1	0.7	-	-1.8	-0.6	-0.5	-1.1	-7.9	-2.4	0.4	-1.9	-0.3	-0.7	4.1
Q3	-3.2	-0.2	0.2	-3.0	-0.9	-0.2	-1.0	-7.9	-3.8	-0.2	-1.8	-1.7	-0.9	4.2
Q4	-3.1	0.3	0.1	-2.6	-0.9	-0.9	-0.9	-6.7	-5.2	0.5	-2.0	-0.7	-1.0	4.4
1999 Q1	-0.4	0.6	0.2	-0.9	-0.2	-0.4	-0.4	-3.7	-4.2	-0.1	-2.1	-0.4	-1.2	4.6
Q2	0.7	1.1	0.1	-0.1	0.1	-0.1	0.5	0.3	-2.1	-0.3	-1.8	-1.1	-1.1	4.7
Q3	0.9	1.0	0.1	-	0.2	0.5	0.8	2.7	-1.4	-	-1.4	-0.3	-0.7	4.7
Q4	-0.2	0.1	-	-	0.2	1.0	1.5	5.1	-0.3	-1.0	-0.6	-0.3	-0.2	4.6
2000 Q1	0.7	0.6	-	-0.5	0.1	1.8	1.2	4.4	-2.9	-0.7	-0.1	2.0	-0.5	4.8
Q2	..	..	..	..	..	..	..	6.3	-1.9	-0.7	0.4	2.3	-0.4	4.7
1999 Jul	..	..	..	..	..	..	..	1.3	-2.1	-0.1	-1.5	-3.0	-1.3	4.8
Aug	..	..	..	..	..	..	..	3.9	-1.1	0.3	-1.4	0.4	-0.6	4.7
Sep	..	..	..	..	..	..	..	2.8	-1.1	-0.2	-1.1	1.6	-0.2	4.6
Oct	..	..	..	..	..	..	..	3.8	-	-0.7	-0.8	1.0	-0.4	4.6
Nov	..	..	..	..	..	..	..	5.4	-1.1	-1.2	-0.5	0.1	-	4.6
Dec	..	..	..	..	..	..	..	6.2	-	-1.1	-0.5	-2.2	-0.3	4.7
2000 Jan	..	..	..	..	..	..	..	4.4	-2.2	-0.9	-0.3	2.5	-0.4	4.7
Feb	..	..	..	..	..	..	..	4.0	-3.3	-0.6	-0.1	1.8	-0.4	4.9
Mar	..	..	..	..	..	..	..	4.7	-3.3	-0.5	0.2	1.7	-0.6	4.9
Apr	..	..	..	..	..	..	..	7.3	-3.3	-0.8	0.5	2.2	-0.5	4.8
May	..	..	..	..	..	..	..	4.7	-1.1	-0.7	0.3	2.1	-0.5	4.6
Jun	..	..	..	..	..	..	..	6.9	-1.1	-0.7	0.4	2.8	-0.3	4.7
Jul	..	..	..	..	..	..	..	5.9	-1.1	-0.5	0.2	1.3	-0.1	4.7
Percentage change on previous quarter														
	ILGN	HUDA	HUDB	HUDC	HUDD	HUDE	HUDF	ILHH	ILIB				ILIV	
1998 Q1	-1.2	0.2	-0.1	-0.8	-0.4	-0.4	-0.3	-1.7	-0.3				-1.6	
Q2	-0.2	0.1	-	-0.4	-0.2	-0.2	-0.5	-4.3	-2.4				2.1	
Q3	-1.2	-	0.1	-1.2	-0.2	0.1	-	0.3	-0.7				-0.4	
Q4	-0.5	-	0.1	-0.2	-0.1	-0.4	-0.1	-1.1	-1.8				-1.1	
1999 Q1	1.5	0.5	0.1	0.9	0.3	-	0.3	1.4	0.8				-1.8	
Q2	1.0	0.7	-0.1	0.4	0.1	0.2	0.3	-0.3	-0.3				2.2	
Q3	-1.0	-0.1	0.1	-1.1	-0.1	0.7	0.3	2.7	-				-	
Q4	-1.6	-1.0	-	-0.2	-	0.1	0.6	1.2	-0.8				-0.6	
2000 Q1	2.5	1.0	0.1	0.4	0.1	0.8	-	0.7	-1.9				-2.1	
Q2	..	..	..	..	..	..	..	1.6	0.8				2.3	
Percentage change on previous month														
								ILKH	ILKR				ILLB	
1999 Jul								0.6	-				-0.4	
Aug								2.3	-				0.2	
Sep								-0.5	-1.1				0.1	
Oct								-0.1	-				-0.2	
Nov								1.2	-				-0.3	
Dec								0.2	-				-0.9	
2000 Jan								-0.4	-1.1				-1.1	
Feb								-0.2	-1.1				-0.7	
Mar								2.1	-				0.6	
Apr								-0.5	-				1.4	
May								0.2	1.1				1.0	
Jun								1.8	1.1				-	
Jul								-0.3	-				-0.2	

GDP = Gross Domestic Product at constant market prices
PFC = Private Final Consumption at constant market prices
GFC = Government Final Consumption at constant market prices
GFCF = Gross Fixed Capital Formation at constant market prices
ChgStk = Change in Stocks at constant market prices
Exports = Exports of goods and services
Imports = Imports of goods and services

Sales = Retail Sales volume
CPI = Consumer Prices, measurement not uniform among countries
PPI = Producer Prices (manufacturing)
Earnings = Average Earnings (manufacturing), definitions of coverage and treatment vary among countries
Empl = Total Employment not seasonally adjusted
Unempl = Standardised Unemployment rates: percentage of total workforce
IoP = Index of Production

¹ Not adjusted for unequal number of working days in a month
² Figures monthly and seasonally adjusted

Source: OECD - SNA68

7 World trade in goods¹

	Export of manufactures			Import of manufactures			Export of goods			Import of goods			Total trade	
	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	Total	OECD	Other	manufactures	goods
Percentage change on a year earlier														
	ILIZ	ILJA	ILJB	ILJC	ILJD	ILJE	ILJF	ILJG	ILJH	ILJI	ILJJ	ILJK	ILJL	ILJM
1991	3.8	2.6	8.9	5.2	3.6	10.5	3.8	3.5	4.9	4.6	3.6	7.5	4.5	4.2
1992	4.2	3.3	8.4	5.2	4.3	7.9	4.2	3.7	5.7	5.0	4.1	7.5	4.7	4.6
1993	4.6	2.0	15.3	4.0	1.0	12.5	3.8	2.0	9.1	3.3	0.8	10.3	4.3	3.5
1994	12.1	9.9	20.1	11.9	12.2	11.1	10.6	9.4	14.1	10.9	11.0	10.8	12.0	10.8
1995	9.6	9.9	8.6	10.7	10.0	12.4	8.9	9.2	7.8	9.6	8.6	12.2	10.1	9.2
1996	7.2	7.0	7.8	7.1	7.4	6.6	6.6	6.2	7.6	6.2	6.7	4.9	7.2	6.4
1997	11.9	12.5	10.0	10.8	11.4	9.4	10.5	11.0	9.1	9.5	9.8	8.8	11.4	10.0
1998	6.6	7.2	4.7	6.9	9.6	-	5.2	5.3	4.3	5.7	7.8	0.1	6.8	5.4
1999	5.7	5.2	7.7	8.0	10.1	2.0	5.2	4.7	6.6	6.3	8.2	0.8	6.9	5.8
1995 Q1	13.2	13.3	12.6	13.5	13.8	12.8	12.1	12.8	10.1	12.2	12.0	12.8	13.4	12.2
Q2	10.2	10.5	8.9	12.0	11.3	13.8	9.5	10.2	7.9	11.1	10.1	13.7	11.1	10.3
Q3	8.6	9.1	6.9	10.1	9.1	12.9	7.8	8.2	6.7	9.1	7.7	12.7	9.4	8.4
Q4	6.9	7.0	6.4	7.3	6.2	10.3	6.2	6.0	6.6	6.2	4.9	9.8	7.1	6.2
1996 Q1	6.1	5.9	6.7	7.4	7.2	8.1	5.4	4.9	6.8	6.4	6.2	6.8	6.7	5.9
Q2	6.0	5.7	7.1	6.0	6.0	5.9	5.4	4.7	7.2	5.1	5.5	4.1	6.0	5.2
Q3	7.5	7.4	7.9	7.5	8.3	5.5	7.0	6.7	7.8	6.4	7.5	3.6	7.5	6.7
Q4	9.1	9.0	9.3	7.7	8.0	7.0	8.5	8.5	8.7	7.0	7.7	5.3	8.4	7.8
1997 Q1	8.7	8.3	10.0	7.7	7.6	8.1	8.0	7.6	9.2	7.1	7.0	7.2	8.2	7.5
Q2	12.5	13.1	10.5	11.3	12.1	9.4	11.6	12.4	9.5	10.1	10.5	9.0	11.9	10.8
Q3	13.2	14.1	10.1	11.8	12.5	9.9	11.9	13.0	9.1	10.4	10.7	9.5	12.5	11.1
Q4	13.2	14.3	9.5	12.4	13.4	10.0	10.4	11.1	8.7	10.4	10.7	9.5	12.8	10.4
1998 Q1	12.3	13.7	7.7	11.1	13.5	5.3	10.0	11.1	6.9	9.3	11.0	4.9	11.7	9.6
Q2	8.0	8.4	6.7	7.8	9.9	2.3	6.0	6.0	6.4	7.9	7.9	2.2	7.9	6.2
Q3	4.9	5.3	3.3	5.3	8.2	-2.2	3.0	3.0	3.0	4.2	6.4	-1.7	5.1	3.6
Q4	2.0	2.2	1.4	3.9	7.4	-5.1	1.7	1.8	1.3	3.1	6.0	-4.7	3.0	2.4
1999 Q1	1.1	1.1	1.1	3.9	6.3	-2.8	0.8	0.5	1.4	2.7	4.9	-3.3	2.4	1.7
Q2	3.3	3.0	4.1	6.5	8.8	0.1	3.0	2.7	3.9	5.0	7.1	-1.0	4.9	4.0
Q3	8.1	7.2	11.0	9.6	11.6	4.0	7.4	6.7	9.1	7.6	9.4	2.3	8.8	7.5
Q4	10.5	9.4	14.6	11.9	13.5	7.1	9.7	8.9	12.0	9.8	11.3	5.5	11.2	9.8
2000 Q1	..	14.8	..	..	15.5	..	..	13.7	..	..	13.7	..	..	..
Percentage change on previous quarter														
	ILJN	ILJO	ILJP	ILJQ	ILJR	ILJS	ILJT	ILJU	ILJV	ILJW	ILJX	ILJY	ILJZ	ILKA
1995 Q1	3.0	3.3	1.8	1.9	1.4	3.4	2.7	3.1	1.7	1.5	0.9	3.3	2.5	2.1
Q2	1.2	1.1	1.7	2.2	1.8	3.2	1.1	0.9	1.6	2.3	1.9	3.2	1.7	1.7
Q3	0.9	0.8	1.5	1.0	0.6	2.2	0.8	0.5	1.6	0.9	0.4	2.0	1.0	0.8
Q4	1.5	1.6	1.3	1.9	2.3	1.1	1.4	1.4	1.6	1.4	1.6	0.8	1.7	1.4
1996 Q1	2.2	2.3	2.0	2.0	2.3	1.3	2.0	2.0	1.8	1.7	2.1	0.5	2.1	1.8
Q2	1.2	1.0	2.0	0.9	0.8	1.2	1.1	0.7	2.0	1.0	1.2	0.6	1.0	1.0
Q3	2.3	2.3	2.3	2.4	2.7	1.8	2.4	2.4	2.2	2.2	2.4	1.5	2.4	2.3
Q4	3.0	3.1	2.7	2.2	2.0	2.6	2.9	3.1	2.4	2.0	1.8	2.5	2.6	2.4
1997 Q1	1.9	1.6	2.7	2.1	1.9	2.4	1.5	1.1	2.3	1.7	1.4	2.4	2.0	1.6
Q2	4.8	5.5	2.5	4.3	5.0	2.4	4.4	5.2	2.3	3.9	4.5	2.3	4.6	4.1
Q3	2.9	3.2	1.8	2.8	3.0	2.2	2.6	2.9	1.8	2.5	2.6	2.0	2.9	2.6
Q4	3.1	3.3	2.2	2.7	2.8	2.6	1.6	1.4	2.0	1.9	1.8	2.4	2.9	1.8
1998 Q1	1.0	1.1	1.0	0.9	2.0	-2.0	1.0	1.2	0.6	0.7	1.7	-1.9	1.0	0.9
Q2	0.8	0.6	1.5	1.1	1.7	-0.4	0.6	0.3	1.5	1.1	1.6	-0.2	1.0	0.8
Q3	-0.1	0.3	-1.3	0.4	1.4	-2.3	-0.3	0.1	-1.1	0.4	1.2	-1.9	0.2	0.1
Q4	0.3	0.3	0.3	1.4	2.0	-0.5	0.3	0.2	0.4	0.9	1.4	-0.7	0.8	0.6
1999 Q1	0.1	-0.1	0.7	0.9	1.0	0.4	0.1	-0.1	0.7	0.3	0.6	-0.6	0.5	0.2
Q2	3.0	2.5	4.6	3.7	4.0	2.6	2.9	2.5	3.9	3.3	3.8	2.1	3.3	3.1
Q3	4.6	4.4	5.1	3.4	4.1	1.5	3.9	4.0	3.9	2.9	3.4	1.4	4.0	3.4
Q4	2.6	2.3	3.6	3.5	3.8	2.5	2.4	2.2	3.0	3.0	3.1	2.4	3.0	2.7
2000 Q1	..	4.9	..	..	2.8	..	..	4.4	..	..	2.7	..	..	..

¹ Data used in the World and OECD aggregates refer to Germany after unification

Source: OECD - SNA68

Final Expenditure Prices Index (Experimental) – August 2000

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Note that further development work is ongoing and the FEPI will be available only as an experimental index until this work has been completed.

Summary

The rate of inflation for both the FEPI and the FEPI(P), a variant version of the FEPI incorporating government output prices (see Note 6), was the same in August as in July at 1.3 per cent, the lowest rate of inflation recorded. A lower rate of inflation for consumer prices was offset by a higher rate of inflation for investment prices.

The FEPI and FEPI(P) annual percentage change

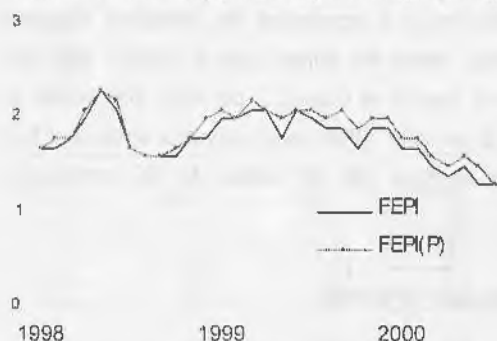


Table A

Final Expenditure Prices Index and components (January 1992=100 and annual percentage change)

		ICP		IIP		IGP		IGP(P)		FEPI		FEPI(P)	
		Index	%change	Index	%change	Index	%change	Index	%change	Index	%change	Index	%change
2000	Mar	122.4	1.1	113.6	2.1	121.9	2.4	121.4	2.7	120.5	1.5	120.4	1.6
	Apr	122.9	1.0	113.8	2.0	123.2	2.4	122.2	2.8	121.1	1.4	120.9	1.5
	May	123.2	1.0	114.6	2.5	123.5	2.3	122.4	2.7	121.5	1.5	121.3	1.6
	Jun	123.4	1.1	114.5	2.0	123.5	1.3	122.5	1.8	121.6	1.3	121.4	1.5
	Jul	122.6	1.0	114.2	1.6	123.6	2.1	122.6	2.2	121.1	1.3	120.9	1.3
	Aug	122.6	0.7	114.4	1.8	123.7	2.1	122.8	2.0	121.2	1.3	121.0	1.3

The Index of Consumer Prices (ICP)

Consumer price inflation, as measured by the ICP, fell from 1.0 per cent in July to 0.7 per cent in August 2000, the lowest rate of inflation recorded, mainly due to lower inflation for transport and communication.

Downward pressure came from:

- Transport and communication, where the annual rate of inflation fell from 2.3 per cent in July to 0.8 per cent in August due to lower pump prices for petrol in contrast to price rises in August 1999.
- Food, where the annual rate of inflation fell from 1.3 per cent in July to 0.9 per cent in August. Within food, the downward effects were most prominent for potato prices, which fell back from unusually high levels in July, and, to a lesser extent, for prices for other fresh vegetables.

Upward pressure came from:

- Recreation, entertainment and education, where the annual rate of inflation increased from 0.3 per cent in July to 0.6 per cent in August due to price changes for audio-visual equipment, discs and tapes and gardening products. Prices of audio-visual equipment fell only slightly this August while last year they fell significantly.

The ICP annual percentage change



The Index of Investment Prices (IIP)

Investment price inflation, as measured by the IIP, increased from 1.6 per cent in July to 1.8 per cent in August.

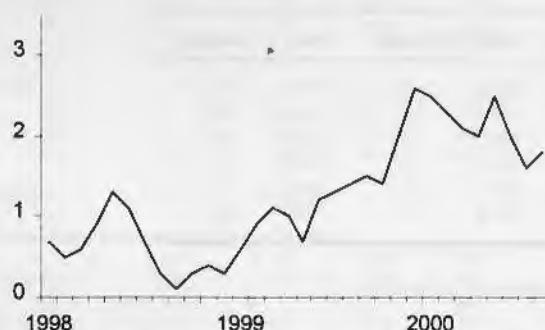
Upward pressure came from:

- Other Machinery & equipment (ie, excluding transport equipment), where the annual rate of inflation was less negative in August, at minus 2.2 per cent, than in July at minus 3.5 per cent. Other machinery and equipment has shown a negative rate of inflation for 50 consecutive months.

Downward pressure came from:

- Dwellings, where the annual rate of inflation fell from 10.4 per cent in July to 8.6 per cent in August.

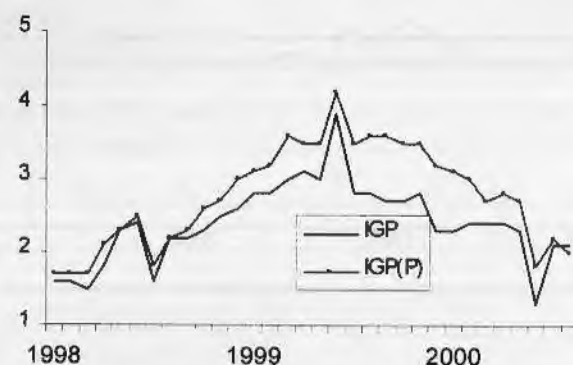
The IIP annual percentage change



The Index of Government Prices - IGP and IGP(P)

The rate of inflation for the IGP was the same in August as in July, at 2.1 per cent while the rate of inflation for the IGP(P), a variant version of the IGP which incorporates government output prices (see Note 6), fell from 2.2 per cent in July to 2.0 per cent in August. Within the IGP(P) lower inflation was recorded for both local and central government expenditure.

The IGP and IGP(P) annual percentage change



Comparison between FEPI and other inflation measures

Table B
Measures of Inflation (annual percentage changes)

	FEPI	FEPI(P)	RPIX	HICP	ICP(FEPI)	PPI
2000 Mar	1.5	1.6	2.0	0.7	1.1	2.4
Apr	1.4	1.5	1.9	0.6	1.0	2.3
May	1.5	1.6	2.0	0.5	1.0	2.5
Jun	1.3	1.5	2.2	0.8	1.1	2.9
Jul	1.3	1.3	2.2	1.0	1.0	2.8
Aug	1.3	1.3	1.9	0.6	0.7	2.5

NOTES

1. The headline measure of inflation is the Retail Prices Index (RPI). The RPI should be used as the main indicator of inflation affecting average households.

2. The Final Expenditure Prices Index (FEPI) is a measure of the change in the prices paid by UK households, business and government for final purchases of goods and services. Intermediate purchases by business are excluded. The FEPI is made up of three components:

- The Index of Consumer Prices (ICP)
- The Index of Investment Prices (IIP)
- The Index of Government Prices (IGP).

3. The ICP measures inflation affecting all consumers in the UK. The price indicators used in the ICP are taken mainly from the Retail Prices Index (RPI).

4. The IIP is a measure of the change in the prices paid for capital goods by business and by government. It also covers new construction projects and dwellings built for consumers, businesses and government. The price indicators used are mainly Producer Price Indices (PPIs), implied import deflators, construction output price indices and average house price indicators.

5. The IGP measures inflation affecting government. It covers expenditure by central and local government on pay and on procurement. The price indicators used are mainly Average Earnings Indices (to reflect labour costs), PPIs and RPIs (to reflect the cost of goods consumed by government).

6. The IGP(P) is a variant version of the IGP which incorporates government output prices for health, education, social security, legal aid, crown and county courts and magistrates courts (which comprise around 55% of general government final consumption expenditure) and therefore reflects movements in productivity. The IGP(P) feeds into a variant version of the FEPI, the FEPI(P), which differs from the FEPI solely because of the inclusion of government output prices.

7. Care should be taken when interpreting monthly movements in the IGP and IGP(P). These indices are particularly volatile on a month-to-month basis, so a fall one month is often offset by a rise the next and vice versa. The data are of greatest value if trends rather than individual monthly movements are observed.

8. An article describing the development and composition of the FEPI is included in Economic Trends, No 526, September 1997. Data are available in computer readable form from the National Statistics Databank service (telephone 020-7533 5675, fax 020-7533 5689 or e-mail sales.ons@gnet.gov.uk).

1 Final Expenditure Prices Index - FEPI & FEPI(P) Summary Table Experimental price indices

	Index of Consumer Prices ICP	Index of Investment Prices IIP	Index of Government Prices IGP	Final Expenditure Prices Index FEPI	Annual percentage changes			
					ICP	IIP	IGP	FEPI
January 1992=100								
Weights								
1997	595	180	225	1000				
1998	597	183	220	1000				
1999	608	182	210	1000				
2000	602	191	207	1000				

FINAL EXPENDITURE PRICES INDEX - FEPI

	CUSE	CUSK	CUSO	CUSP	CGAZ	CGBF	CGBJ	CGBK
1998 Aug	119.6	110.9	117.9	117.5	1.8	0.3	2.2	1.6
Sep	120.1	110.7	118.2	117.8	1.9	0.1	2.2	1.6
Oct	120.1	110.8	118.0	117.8	1.8	0.3	2.3	1.6
Nov	120.3	110.8	118.2	117.9	2.0	0.4	2.5	1.8
Dec	120.6	110.7	119.0	118.2	2.1	0.3	2.6	1.8
1999 Jan	120.0	110.8	119.2	118.0	2.0	0.6	2.8	2.0
Feb	120.4	111.0	119.1	118.3	1.8	0.9	2.8	2.0
Mar	121.1	111.3	119.1	118.7	2.0	1.1	3.0	2.1
Apr	121.7	111.6	120.3	119.4	2.0	1.0	3.1	2.1
May	122.0	111.8	120.7	119.7	1.7	0.7	3.0	1.8
Jun	122.0	112.2	121.9	120.0	1.8	1.2	3.9	2.1
Jul	121.4	112.4	121.1	119.5	1.8	1.3	2.8	2.0
Aug	121.7	112.4	121.2	119.7	1.8	1.4	2.8	1.9
Sep	122.1	112.4	121.4	120.0	1.7	1.5	2.7	1.9
Oct	121.9	112.3	121.2	119.8	1.5	1.4	2.7	1.7
Nov	122.1	113.0	121.5	120.1	1.5	2.0	2.8	1.9
Dec	122.4	113.6	121.7	120.5	1.5	2.6	2.3	1.9
2000 Jan	121.5	113.6	122.0	120.0	1.3	2.5	2.3	1.7
Feb	122.0	113.5	122.0	120.3	1.3	2.3	2.4	1.7
Mar	122.4	113.6 [†]	121.9	120.5 [†]	1.1	2.1 [†]	2.4	1.5 [†]
Apr	122.9	113.8	123.2	121.1	1.0	2.0	2.4	1.4
May	123.2	114.6	123.5	121.5	1.0	2.5	2.3	1.5
Jun	123.4	114.5	123.5	121.6	1.1	2.0	1.3	1.3
Jul	122.6	114.2	123.6	121.1	1.0	1.6	2.1	1.3
Aug	122.6	114.4	123.7	121.2	0.7	1.8	2.1	1.3

FINAL EXPENDITURE PRICES INDEX INCORPORATING IMPLIED GOVERNMENT OUTPUT PRICES - FEPI(P)

			LGTZ	LGUA			GXVN	GXVO
1998 Aug	119.6	110.9	116.2	117.1	1.8	0.3	2.2	1.6
Sep	120.1	110.7	116.5	117.4	1.9	0.1	2.3	1.6
Oct	120.1	110.8	116.6	117.5	1.8	0.3	2.6	1.7
Nov	120.3	110.8	116.8	117.6	2.0	0.4	2.7	1.8
Dec	120.6	110.7	117.4	117.9	2.1	0.3	3.0	2.0
1999 Jan	120.0	110.8	117.7	117.7	2.0	0.6	3.1	2.1
Feb	120.4	111.0	117.9	118.0	1.8	0.9	3.2	2.0
Mar	121.1	111.3	118.2	118.5	2.0	1.1	3.6	2.2
Apr	121.7	111.6	118.9	119.1	2.0	1.0	3.5	2.1
May	122.0	111.8	119.2	119.4	1.7	0.7	3.5	2.0
Jun	122.0	112.2	120.3	119.6	1.8	1.2	4.2	2.1
Jul	121.4	112.4	120.0	119.3	1.8	1.3	3.5	2.1
Aug	121.7	112.4	120.4	119.5	1.8	1.4	3.6	2.0
Sep	122.1	112.4	120.7	119.9	1.7	1.5	3.6	2.1
Oct	121.9	112.3	120.7	119.7	1.5	1.4	3.5	1.9
Nov	122.1	113.0	120.9	120.0	1.5	2.0	3.5	2.0
Dec	122.4	113.6	121.2	120.3	1.5	2.6	3.2	2.0
2000 Jan	121.5	113.6	121.4	119.8	1.3	2.5	3.1	1.8
Feb	122.0	113.5	121.4	120.1	1.3	2.3	3.0	1.8
Mar	122.4	113.6 [†]	121.4	120.4 [†]	1.1	2.1 [†]	2.7	1.6 [†]
Apr	122.9	113.8	122.2	120.9	1.0	2.0	2.8	1.5
May	123.2	114.6	122.4	121.3	1.0	2.5	2.7	1.6
Jun	123.4	114.5	122.5	121.4	1.1	2.0	1.8	1.5
Jul	122.6	114.2	122.6	120.9	1.0	1.6	2.2	1.3
Aug	122.6	114.4	122.8	121.0	0.7	1.8	2.0	1.3

† indicates earliest revision.

2 Final Expenditure Prices Index (FEPI) Index of Consumer Prices (ICP) Experimental price indices

	Food	Alcoholic Drink	Tobacco	Clothing and Footwear	Housing	Fuel and Power	Household Goods and Services	Transport and Communi- cation	Recreation Entertain- ment and Education	Other Goods and Services	Index of Consumer Prices ICP	Of which: goods	Of which: services
January 1992=100													
Weights													
1997	126	68	30	67	90	39	71	189	119	201	1000	595	405
1998	127	68	29	67	87	39	71	188	118	206	1000	597	403
1999	119	66	28	70	85	34	75	192	113	218	1000	600	400
2000	117	64	26	68	85	31	76	191	126	216	1000	595	405
	CURU	CURV	CURW	CURX	CURY	CURZ	CUSA	CUSB	CUSC	CUSD	CUSE	MJYH	MJYI
1998 Aug	114.1	125.2	163.1	101.2	130.6	97.2	112.2	121.9	110.4	128.8	119.6	112.9	130.8
Sep	113.7	125.3	163.2	105.8	130.8	97.3	112.9	121.9	111.0	128.7	120.1	113.4	131.1
Oct	113.9	125.6	163.4	104.7	131.1	97.5	112.4	121.5	111.2	129.5	120.1	113.2	131.7
Nov	113.8	125.2	163.4	105.3	131.3	97.4	113.6	121.1	111.2	130.2	120.3	113.2	132.1
Dec	114.7	125.1	168.2	104.7	131.4	97.2	115.7	120.5	111.0	130.6	120.6	113.5	132.3
1999 Jan	115.1	126.5	172.0	97.6	131.5	97.3	111.3	121.2	110.7	130.6	120.0	112.4	132.6
Feb	115.4	126.8	172.1	100.0	131.5	97.2	112.8	121.2	110.6	131.0	120.4	113.0	132.8
Mar	114.7	126.8	178.2	101.6	131.4	97.5	114.5	122.6	110.7	131.3	121.1	113.8	133.3
Apr	114.1	127.0	180.7	102.0	133.5	97.3	113.2	124.1	111.1	132.3	121.7	114.0	134.6
May	114.7	127.6	180.7	102.5	133.6	97.1	114.6	124.1	111.2	132.5	122.0	114.3	134.9
Jun	114.2	128.2	181.2	102.3	133.7	97.1	114.0	123.8	111.0	132.9	122.0	114.1	135.1
Jul	113.5	127.9	184.3	97.4	134.0	97.4	112.0	123.8	110.3	133.6	121.4	113.0	135.5
Aug	113.0	128.1	184.7	98.8	134.3	97.4	113.1	124.2	110.1	133.7	121.7	113.3	135.7
Sep	112.9	128.1	184.8	102.6	134.4	97.7	114.0	123.9	110.6	133.9	122.1	113.8	136.2
Oct	112.8	128.2	184.7	101.6	134.8	97.9	113.4	123.7	110.9	133.1	121.9	113.4	136.0
Nov	113.4	127.8	184.8	102.0	135.1	98.1	114.6	123.3	110.8	133.7	122.1	113.5	136.4
Dec	113.5	127.5	184.7	101.2	135.3	98.7	116.5	123.6	110.7	134.1	122.4	113.7	136.8
2000 Jan	113.4	128.4	184.9	94.4	136.0	98.6	111.5	124.1	110.3	133.9	121.5	112.2	137.1
Feb	113.4	128.5	186.7	97.5	136.1	98.6	112.6	124.2	110.8	134.1	122.0	112.9	137.3
Mar	112.7	128.7	186.9	98.9	135.9	98.7	113.9	125.2	110.7	134.7	122.4	113.4	137.7
Apr	112.6	129.0	198.5	100.2	135.7	97.4	113.8	125.9	111.2	134.6	122.9	113.9	137.9
May	113.6	129.6	198.6	100.0	135.9	96.7	114.3	126.0	111.5	135.2	123.2	114.1	138.4
Jun	113.9	129.9	199.0	99.4	136.2	96.2	113.7	126.8	111.2	135.5	123.4	114.2	138.8
Jul	115.0	129.7	199.1	92.0	136.6	96.1	111.5	126.7	110.6	135.7	122.6	112.9	139.0
Aug	114.0	129.9	200.2	93.7	137.0	96.1	112.6	125.2	110.8	136.1	122.6	112.8	139.2
Annual Percentage Changes													
	Food	Alcoholic Drink	Tobacco	Clothing and Footwear	Housing	Fuel and Power	Household Goods and Services	Transport and Communi- cation	Recreation Entertain- ment and Education	Other Goods and Services	Index of Consumer Prices ICP	Of which: goods	Of which: services
	CGAP	CGAQ	CGAR	CGAS	CGAT	CGAU	CGAV	CGAW	CGAX	CGAY	CGAZ	MJYJ	MJYK
1998 Aug	1.3	3.2	7.9	-1.1	3.3	-5.4	1.3	1.6	0.2	3.9	1.8	0.6	3.6
Sep	1.3	3.2	7.7	-0.5	3.3	-2.7	1.2	1.2	0.3	3.5	1.9	0.7	3.5
Oct	1.5	3.2	7.7	-1.2	3.4	-2.5	0.9	1.0	0.4	3.8	1.8	0.7	3.5
Nov	2.0	3.4	7.6	-1.8	3.5	-2.2	1.2	0.9	0.5	4.3	2.0	0.7	3.9
Dec	2.7	3.7	8.4	-1.9	3.5	-1.9	2.2	0.4	0.3	4.3	2.1	1.0	3.8
1999 Jan	3.0	3.6	8.0	-2.1	3.3	-1.1	1.4	0.5	0.4	4.1	2.0	1.0	3.6
Feb	3.3	3.0	7.9	-2.0	3.2	-1.5	1.2	0.3	0.1	3.6	1.8	0.7	3.4
Mar	2.9	2.7	11.7	-2.4	3.0	-1.4	1.2	1.5	0.3	3.5	2.0	1.1	3.6
Apr	2.1	2.8	11.5	-2.9	2.8	-1.6	1.0	1.6	0.3	3.7	2.0	0.9	3.7
May	1.1	2.5	11.1	-3.3	2.7	-1.2	1.1	1.6	0.1	3.4	1.7	0.5	3.5
Jun	1.0	3.1	11.3	-3.2	2.7	-0.5	1.2	1.3	0.3	3.5	1.8	0.6	3.5
Jul	0.6	2.4	13.1	-1.9	2.8	0.1	0.5	1.5	-0.1	3.9	1.8	0.6	3.8
Aug	-1.0	2.3	13.2	-2.4	2.8	0.2	0.8	1.9	-0.3	3.8	1.8	0.4	3.7
Sep	-0.7	2.2	13.2	-3.0	2.8	0.4	1.0	1.6	-0.4	4.0	1.7	0.4	3.9
Oct	-1.0	2.1	13.0	-3.0	2.8	0.4	0.9	1.8	-0.3	2.8	1.5	0.2	3.3
Nov	-0.4	2.1	13.1	-3.1	2.9	0.7	0.9	1.8	-0.4	2.7	1.5	0.3	3.3
Dec	-1.0	1.9	9.8	-3.3	3.0	1.5	0.7	2.6	-0.3	2.7	1.5	0.2	3.4
2000 Jan	-1.5	1.5	7.5	-3.3	3.4	1.3	0.2	2.4	-0.4	2.5	1.3	-0.2	3.4
Feb	-1.7	1.3	8.5	-2.5	3.5	1.4	-0.2	2.5	0.2	2.4	1.3	-0.1	3.4
Mar	-1.7	1.5	4.9	-2.7	3.4	1.2	-0.5	2.1	-	2.6	1.1	-0.4	3.3
Apr	-1.3	1.6	9.9	-1.8	1.6	0.1	0.5	1.5	0.1	1.7	1.0	-0.1	2.5
May	-1.0	1.6	9.9	-2.4	1.7	-0.4	-0.3	1.5	0.3	2.0	1.0	-0.2	2.6
Jun	-0.3	1.3	9.8	-2.8	1.9	-0.9	-0.3	2.4	0.2	2.0	1.1	0.1	2.7
Jul	1.3	1.4	8.0	-5.5	1.9	-1.3	-0.4	2.3	0.3	1.6	1.0	-0.1	2.6
Aug	0.9	1.4	8.4	-5.2	2.0	-1.3	-0.4	0.8	0.6	1.8	0.7	-0.4	2.6

† indicates earliest revision.

Final Expenditure Prices Index (FEPI)

Index of Investment Prices (IIP)

Experimental price indices

	Transport Equipment	Other Machinery and Equipment	Dwellings	New Buildings and Works	Transfer Costs of Land and Buildings	Intangible Fixed Assets ¹	Index of Investment Prices IIP
January 1992=100							
Weights							
1997	95	382	187	270	32	34	1000
1998	97	392	181	262	35	33	1000
1999	98	390	178	260	42	32	1000
2000	97	383	180	267	41	32	1000
	CUSH	CUSG	CUSJ	CUSF	CUSI	MJYL	CUSK
1998 Aug	119.7	99.1	119.5	115.0	164.6	119.8	110.9
Sep	119.8	98.1	120.0	115.4	165.4	120.1	110.7
Oct	120.3	97.8	120.1	115.9	165.7	120.1	110.8
Nov	121.2	97.5	119.7	116.5	165.1	120.1	110.8
Dec	121.7	97.1	119.0	117.0	164.3	120.3	110.7
1999 Jan	121.2	97.3	118.7	117.3	167.0	120.0	110.8
Feb	121.8	97.2	118.9	117.6	168.0	120.4	111.0
Mar	121.9	96.8	120.6	117.9	170.2	120.9	111.3
Apr	122.1	96.6	122.7	118.1	171.6	121.4	111.6
May	122.1	96.0	124.3	118.3	175.4	121.5	111.8
Jun	122.3	95.7	126.3	118.5	179.9	121.4	112.2
Jul	121.5	95.2	128.5	118.8	182.5	121.1	112.4
Aug	121.3	94.2	130.8	119.0	185.3	121.3	112.4
Sep	121.2	93.6	131.4	119.2	186.0	121.5	112.4
Oct	121.0	93.0	131.9	119.7	189.4	121.4	112.3
Nov	122.8	93.5	133.2	120.0	186.4	121.7	113.0
Dec	123.7	93.8	135.2	120.4	186.1	121.9	113.6
2000 Jan	121.9	93.5	135.9	120.6	191.1	121.2	113.6
Feb	121.8	93.1	136.3	121.0	189.6	121.2	113.5
Mar	121.7	92.6	138.3 [†]	121.0 [†]	191.4	121.7	113.6 [†]
Apr	120.5	92.2	140.6	121.3	191.9	123.1	113.8
May	121.7	93.0	141.9	121.4	191.7	124.1	114.6
Jun	122.4	92.6	142.2	121.6	193.5	123.4 [†]	114.5
Jul	121.8 [†]	91.9 [†]	141.8	122.0	194.2	123.0	114.2
Aug	121.2	92.1	142.0	122.3	195.8	122.5	114.4

Annual Percentage Changes

	Transport Equipment	Other Machinery and Equipment	Dwellings	New Buildings and Works	Transfer Costs of Land and Buildings	Intangible Fixed Assets ¹	Index of Investment Prices IIP
	CGBG	CGBB	CGBE	CGBA	CGBD	MJYM	CGBF
1998 Aug	1.6	-7.3	8.2	4.4	8.6	0.8	0.3
Sep	1.9	-7.9	8.6	4.3	8.0	0.8	0.1
Oct	2.5	-7.9	8.9	4.4	8.9	0.8	0.3
Nov	3.7	-7.6	8.5	4.6	7.8	0.8	0.4
Dec	3.8	-7.8	7.8	4.7	8.0	0.9	0.3
1999 Jan	3.6	-6.8	7.4	4.5	10.4	1.1	0.6
Feb	4.3	-5.9	7.0	4.3	9.5	1.1	0.9
Mar	3.0	-5.2	6.7	4.2	10.1	1.4	1.1
Apr	3.4	-5.0	6.8	4.1	7.7	1.6	1.0
May	2.4	-5.8	7.2	3.9	9.6	1.0	0.7
Jun	2.9	-5.1	7.4	3.8	12.0	1.3	1.2
Jul	2.1	-4.7	8.1	3.7	10.6	1.4	1.3
Aug	1.3	-4.9	9.5	3.5	12.6	1.3	1.4
Sep	1.2	-4.6	9.5	3.3	12.5	1.2	1.5
Oct	0.6	-4.8	9.8	3.3	14.3	1.1	1.4
Nov	1.3	-4.1	11.3	3.0	12.9	1.3	2.0
Dec	1.6	-3.4	13.6	2.9	13.3	1.3	2.6
2000 Jan	0.6	-3.9	14.5	2.8	14.4	1.0	2.5
Feb	-	-4.2	14.6	2.9	12.9	0.7	2.3
Mar	-0.2	-4.3	14.7 [†]	2.6 [†]	12.5	0.7	2.1 [†]
Apr	-1.3	-4.6	14.6	2.7	11.8	1.4	2.0
May	-0.3	-3.1	14.2	2.6	9.3	2.1	2.5
Jun	0.1	-3.2	12.6	2.6	7.6	1.6 [†]	2.0
Jul	0.2 [†]	-3.5 [†]	10.4	2.7	6.4	1.6	1.6
Aug	-0.1	-2.2	8.6	2.8	5.7	1.0	1.8

¹ This covers mineral exploration, computer software and entertainment, literary and artistic originals.

4 Final Expenditure Prices Index - FEPI & FEPI(P) Index of Government Prices - IGP & IGP(P) Experimental price indices

					Annual percentage changes			
	Local Government Pay & Procurement	Central Government Pay & Procurement	Education Grants	Index of Government Prices	Local Government Pay & Procurement	Central Government Pay & Procurement	Education Grants	Index of Government Prices
January 1992=100								
Weights								
1997	354	569	77	1000				
1998	353	570	77	1000				
1999	351	567	82	1000				
2000	352	569	79	1000				
INDEX OF GOVERNMENT PRICES - IGP								
	CUSL	CUSM	CUSN	CUSO	CGBG	CGBH	CGBI	CGBJ
1998 Aug	120.7	115.8	120.6	117.9	2.5	2.0	2.0	2.2
Sep	121.2	116.1	120.6	118.2	2.5	1.9	2.0	2.2
Oct	121.1	115.8	120.6	118.0	2.5	2.2	2.0	2.3
Nov	121.3	116.0	120.7	118.2	2.5	2.7	2.1	2.5
Dec	122.1	116.7	121.4	119.0	2.7	2.5	2.3	2.6
1999 Jan	122.0	117.1	122.3	119.2	2.7	2.8	2.5	2.8
Feb	122.0	117.0	122.3	119.1	2.7	3.1	2.5	2.8
Mar	122.1	116.9	122.3	119.1	2.9	3.2	2.6	3.0
Apr	123.7	117.7	123.7	120.3	2.7	3.2	3.0	3.1
May	123.7	118.5	123.7	120.7	2.6	3.2	3.0	3.0
Jun	125.9	119.3	123.7	121.9	4.4	3.7	3.0	3.9
Jul	124.4	118.7	124.7	121.1	3.2	2.6	3.4	2.8
Aug	124.5	118.8	124.7	121.2	3.1	2.6	3.4	2.8
Sep	125.1	118.8	124.8	121.4	3.2	2.3	3.5	2.7
Oct	125.1	118.4	124.8	121.2	3.3	2.2	3.5	2.7
Nov	125.2	118.9	124.9	121.5	3.2	2.5	3.5	2.8
Dec	125.3	119.2	124.9	121.7	2.6	2.1	2.9	2.3
2000 Jan	125.3	119.5	124.9	122.0	2.7	2.0	2.1	2.3
Feb	125.3	119.6	124.9	122.0	2.7	2.2	2.1	2.4
Mar	125.3	119.5	124.9	121.9	2.6	2.2	2.1	2.4
Apr	127.5	120.2	126.9	123.2	3.1	2.1	2.6	2.4
May	127.6	120.5	126.9	123.5	3.2	1.7	2.6	2.3
Jun	127.7	120.6	126.9	123.5	1.4	1.1	2.6	1.3
Jul	127.7	120.7	126.8	123.6	2.7	1.7	1.7	2.1
Aug	127.8	120.8	126.8	123.7	2.7	1.7	1.7	2.1
INDEX OF GOVERNMENT PRICES INCORPORATING IMPLIED OUTPUT PRICES - IGP(P)								
	LGTU	LGTX		LGTZ	GXVL	GXVM		GXVN
1998 Aug	113.8	117.2	120.6	116.2	1.7	2.4	2.0	2.2
Sep	114.5	117.4	120.6	116.5	1.9	2.6	2.0	2.3
Oct	114.6	117.4	120.6	116.6	2.0	2.9	2.0	2.6
Nov	115.0	117.7	120.7	116.8	2.3	3.2	2.1	2.7
Dec	115.5	118.2	121.4	117.4	2.7	3.2	2.3	3.0
1999 Jan	115.9	118.4	122.3	117.7	3.2	3.1	2.5	3.1
Feb	116.3	118.6	122.3	117.9	3.6	3.3	2.5	3.2
Mar	116.7	118.8	122.3	118.2	4.0	3.5	2.6	3.6
Apr	117.3	119.4	123.7	118.9	3.6	3.4	3.0	3.5
May	117.7	119.7	123.7	119.2	3.9	3.3	3.0	3.5
Jun	120.1	120.2	123.7	120.3	5.9	3.4	3.0	4.2
Jul	119.1	120.2	124.7	120.0	4.9	2.8	3.4	3.5
Aug	119.6	120.6	124.7	120.4	5.1	2.9	3.4	3.6
Sep	120.3	120.6	124.8	120.7	5.1	2.7	3.5	3.6
Oct	120.5	120.5	124.8	120.7	5.1	2.6	3.5	3.5
Nov	120.8	120.7	124.9	120.9	5.0	2.5	3.5	3.5
Dec	121.0	121.0	124.9	121.2	4.8	2.4	2.9	3.2
2000 Jan	121.1	121.2	124.9	121.4	4.5	2.4	2.1	3.1
Feb	121.3	121.2	124.9	121.4	4.3	2.2	2.1	3.0
Mar	121.3	121.2	124.9	121.4	3.9	2.0	2.1	2.7
Apr	122.3	121.7	126.9	122.2	4.3	1.9	2.6	2.8
May	122.4	121.9	126.9	122.4	4.0	1.8	2.6	2.7
Jun	122.6	122.1	126.9	122.5	2.1	1.6	2.6	1.8
Jul	122.6 [†]	122.2	126.8	122.6	2.9 [†]	1.7	1.7	2.2
Aug	122.8	122.4	126.8	122.8	2.7	1.5	1.7	2.0

[†] indicates earliest revision.

Index of Distribution (Prototype) – June 2000

Contact: Hugh Skipper

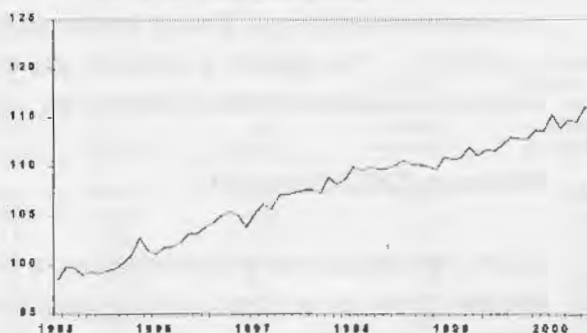
Tel: 01633 813388; e-mail: hugh.skipper@ons.gov.uk

In June, the prototype Index of Distribution (IoD) showed distribution industries' gross value added rising by 3.6 per cent in the latest three months compared with the same three months a year ago. Growth was strongest in the components for the wholesale and retail trades. The level of the IoD was at 115.9 in June.

The prototype IoD shows the monthly movements in volume terms of gross value added in the distribution sector (SIC92 section G), which consists of the motor trades, wholesaling and retailing. Index numbers are based on 1995=100 and all values are seasonally adjusted.

Prototype Index of Distribution

seasonally adjusted: 1995=100



Prototype IoD and components at constant 1995 basic prices (1995=100 index and 3 month-on-3 month annual percentage change) *seasonally adjusted*

		Index of Distribution 1000		Motor trades 179		Wholesale 388		Retail 433	
<i>1995 weights</i>									
		Index	Latest 3 mth on same 3 mth a year ago: % change	Index	Latest 3 mth on same 3 mth a year ago: % change	Index	Latest 3 mth on same 3 mth a year ago: % change	Index	Latest 3 mth on same 3 mth a year ago: % change
1999	Jun	111.6	1.5	110.7	-0.1	105.0	0.4	117.8	3.0
	July	112.2	1.5	111.6	-1.0	106.1	1.0	118.0	2.9
	Aug	113.0	1.8	111.5	-0.8	107.2	1.2	118.9	3.2
	Sep	112.8	2.2	111.6	0.1	106.5	1.6	119.0	3.5
	Oct	112.8	2.5	110.8	-0.1	105.8	1.7	119.9	4.3
	Nov	113.7	2.9	110.6	0.4	107.5	1.9	120.5	4.5
	Dec	113.6	2.9	112.0	0.0	106.9	1.8	120.4	4.9
2000	Jan	115.3	3.4	112.3	0.6	108.4	2.6	122.8	5.3
	Feb	113.9	3.1	112.9	0.1	106.1	2.1	121.3	5.3
	Mar	114.8	3.1	111.5	0.3	108.3	2.4	122.0	4.8
	Apr	114.5	2.7	111.1	-0.2	108.1r	2.2	121.7r	4.2
	May	116.0r	3.1	113.4r	0.4	109.9	3.3	122.7	4.1
	Jun	115.9	3.6	111.9	1.1	109.6	4.0	123.2	4.3

The symbol 'r' indicates that the index data have been revised since the previous month's release. The values marked are the earliest shown in this table to have been revised.

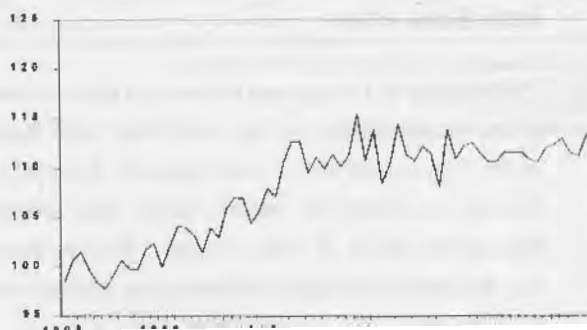
Tables following this note show data back to January 1996.

Motor trades (SIC92 division 50)

In June, the prototype index of gross value added in the motor trades rose by 1.1 per cent in the latest three months compared with the same period a year ago. The level of the prototype index for the motor trades was at 111.9 in June. Values for 1999 and 2000 should be treated with caution, however, as the new seasonal pattern in vehicle sales, following the change in the vehicle registration system, is not yet clear. Data are therefore liable to be revised more than usual.

Prototype component index for motor trades

seasonally adjusted: 1995=100

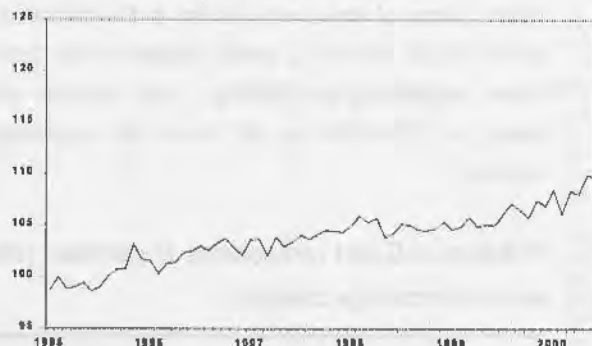


Until a consistent seasonal pattern emerges, the seasonally adjusted series for the affected components will be derived by extending the underlying trend of the series from quarter 4 1998, taking into account movements in the unadjusted data. This explains why the seasonally adjusted series shows a smoother profile in 1999/2000. The approach is consistent with the treatment of other affected National Statistics series.

Wholesale (SIC92 division 51)

In June, the prototype index of gross value added in the wholesale trades rose by 4.0 per cent in the latest three months compared with the same period a year ago. The level of the prototype index for the wholesale trades was at 109.6 in June.

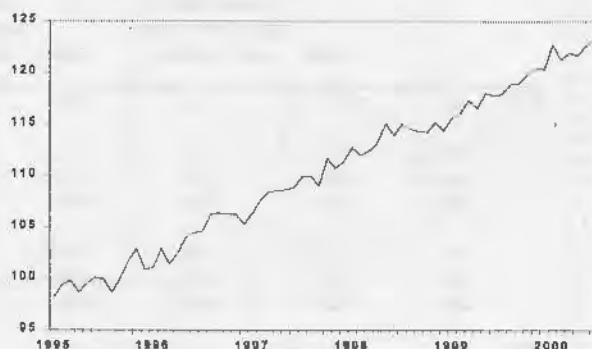
Prototype component index for wholesale seasonally adjusted: 1995=100



Retail (SIC92 division 52)

In June, the prototype index of gross value added in the retail trades rose by 4.3 per cent in the latest three months compared with the same period a year ago. Again, the growth in the retail index was driven mainly by sales through predominantly non-food stores. The level of the prototype index for the retail trades was at 123.2 in June.

Prototype component index for retail seasonally adjusted: 1995=100



Consistency with quarterly estimates of GDP(O)

The monthly figures for the prototype IoD and its three component series are consistent with the corresponding quarterly series for the same industries contained in the quarterly estimates of GDP by the output measure (GDP(O)), published on 23 August.

Component series for retail: differs from the Retail Sales Index

The prototype IoD component for the retail trades shown in this release differs from the established Retail Sales Index (RSI) in that the IoD retail series is designed to indicate movements in retailing gross value added, whereas the RSI is an index of sales. The two series may therefore follow slightly different paths, although the broad trends in each are very similar.

Notes

Further details of the data sources and methods used in this prototype index are given in the article, 'Release of a prototype monthly Index of Distribution', by Hugh Skipper and Ian Cope, which appeared in the December 1999 issue of *Economic Trends* (no. 553).

Identifiers for the quarterly GDP(O) series that correspond to the IoD and its three main components are given in the footnotes to the tables that follow.

IOD: Index of Distribution (PROTOTYPE)

Index numbers of gross value added at constant basic prices^{1,2,3}

1995=100, seasonally adjusted

SIC Section G: IOD ⁴					Component series			
percentage change					SIC50: Motor trades ⁴			
Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago		Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago
	FVVR	FVVK	FVVL	FVVM	FVVO	FVVB	FVVC	FVVD
1996 Jan	101.1	-0.4	1.5	3.5	100.0	-2.3	1.3	5.1
Feb	101.8	0.7	0.1	2.5	102.1	2.1	1.1	3.2
Mar	101.9	0.1	-0.2	2.2	104.1	2.0	0.8	1.9
Apr	102.3	0.5	0.2	2.5	103.9	-0.2	2.0	2.7
May	103.2	0.8	1.0	3.1	103.1	-0.8	2.2	3.9
Jun	103.2	-	1.3	3.8	101.4	-1.7	0.7	4.3
Jul	103.9	0.7	1.4	4.2	103.9	2.4	-0.5	4.5
Aug	104.3	0.3	1.3	4.4	102.9	-0.9	-0.9	3.6
Sep	105.1	0.8	1.5	4.7	106.0	2.9	1.4	4.4
Oct	105.4	0.3	1.5	4.7	107.0	1.0	2.4	5.2
Nov	105.1	-0.3	1.4	3.8	106.9	-0.1	3.8	6.2
Dec	103.9	-1.1	0.4	3.0	104.4	-2.3	1.8	4.8
1997 Jan	105.2	1.2	-0.2	2.9	105.7	1.2	0.3	4.3
Feb	106.2	0.9	-0.1	3.6	107.9	2.1	-0.6	4.5
Mar	105.7	-0.4	0.9	4.1	107.1	-0.8	0.7	4.7
Apr	107.1	1.3	1.5	4.3	110.6	3.2	2.7	4.9
May	107.2	-	1.5	4.1	112.7	1.9	3.8	6.1
Jun	107.4	0.3	1.5	4.2	112.7	-	4.7	8.9
Jul	107.6	0.1	1.0	3.8	109.5	-2.8	2.8	8.5
Aug	107.7	0.1	0.9	3.7	111.1	1.4	0.9	8.1
Sep	107.3	-0.4	0.3	3.0	109.9	-1.1	-1.6	5.6
Oct	108.9	1.4	0.5	2.9	111.4	1.4	-0.7	5.2
Nov	108.2	-0.6	0.5	2.8	110.2	-1.1	-0.5	3.6
Dec	108.7	0.4	1.0	3.6	111.3	1.0	0.7	4.6
1998 Jan	110.0	1.2	0.9	4.0	115.5	3.7	1.4	6.3
Feb	109.6	-0.3	1.2	4.1	110.8	-4.1	1.8	6.1
Mar	110.0	0.3	1.2	3.9	113.8	2.7	2.1	6.0
Apr	109.7	-0.3	0.8	3.2	108.5	-4.7	-1.2	2.3
May	109.8	0.1	0.4	3.0	110.4	1.8	-1.4	0.7
Jun	110.1	0.3	-	2.4	114.4	3.6	-2.0	-0.8
Jul	110.6	0.4	0.3	2.6	111.3	-2.7	0.9	0.4
Aug	110.2	-0.3	0.4	2.5	110.8	-0.5	1.1	1.0
Sep	110.2	-	0.4	2.6	112.2	1.3	0.3	1.2
Oct	110.0	-0.2	-	2.0	111.4	-0.7	-0.5	0.6
Nov	109.7	-0.2	-0.3	1.7	108.1	-3.0	-1.4	0.1
Dec	111.0	1.1	-0.1	1.5	113.8	5.3	-0.3	0.1
1999 Jan	110.7	-0.2	0.3	1.4	110.9	-2.5	-0.5	-1.2
Feb	110.9	0.2	0.8	1.3	112.2	1.2	1.8	-0.2
Mar	112.0	1.0	0.9	1.2	112.5	0.3	0.7	-1.3
Apr	111.1	-0.8	0.8	1.5	111.5	-0.9	1.0	1.0
May	111.7	0.5	0.7	1.7	110.6	-0.8	-0.7	0.6
Jun	111.6	-0.1	0.2	1.5	110.7	-	-0.9	-0.1
Jul	112.2	0.6	0.4	1.5	111.6	0.9	-1.0	-1.0
Aug	113.0	0.7	0.6	1.8	111.5	-0.1	-0.3	-0.8
Sep	112.8	-0.2	1.1	2.2	111.6	0.1	0.6	0.1
Oct	112.8	-	0.9	2.5	110.8	-0.7	0.3	-0.1
Nov	113.7	0.7	0.7	2.9	110.6	-0.2	-0.2	0.4
Dec	113.6	-	0.6	2.9	112.0	1.2	-0.4	-
2000 Jan	115.3	1.5	1.2	3.4	112.3	0.3	0.3	0.6
Feb	113.9	-1.2	1.1	3.1	112.9	0.5	1.3	0.1
Mar	114.8	0.8	1.2	3.1	111.5	-1.3	1.0	0.3
Apr	114.5	-0.2 [†]	0.2	2.7	111.1	-0.3	0.2	-0.2
May	116.0 [†]	1.3	0.7	3.1	113.4 [†]	2.0	-0.4	0.4
Jun	115.9	-0.1	0.7	3.6	111.9	-1.3	-0.1	1.1

1 Indices are valued at constant basic prices, which exclude taxes and subsidies on production.

2 Estimates cannot be regarded as accurate to the last digit shown.

3 Any apparent inconsistencies between the index numbers and the percentage changes shown in these tables are due to rounding.

4 The equivalent quarterly index series, released electronically as part of the GDP(O) estimates, have identifiers EWAD (motor), EWAE (wholesale), EWAF (retail) and GDQC (IOD). For further information about obtaining these series please telephone 020 7533 5675, fax 020 7533 5688, or email bill.roberts@ons.gov.

Sources: For further information on these data please:

telephone 01633 813388;

fax 01633 812575;

or email hugh.skipper@ons.gov.uk

Component series								
SIC51: Wholesale ⁴					SIC52: Retail ⁴			
percentage change					percentage change			
Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago		Index	month on month	latest 3 months on previous 3 months	latest 3 months on same 3 months a year ago
1996 Jan	FVVP	FVVE	FVVF	FVVG	FVVQ	FVVH	FVVI	FVVJ
	101.5	-0.1	1.6	3.3	101.1	0.2	1.5	3.1
Feb	100.3	-1.2	-0.4	1.8	102.9	1.8	0.1	3.0
Mar	101.3	1.0	-0.8	1.9	101.5	-1.4	-	2.7
Apr	101.4	0.1	-1.1	1.7	102.5	1.1	0.6	3.0
May	102.3	0.9	0.5	2.6	104.0	1.4	1.0	3.3
Jun	102.5	0.2	1.0	3.1	104.5	0.4	1.8	4.2
Jul	103.0	0.5	1.6	3.6	104.7	0.2	2.1	4.5
Aug	102.6	-0.4	1.0	3.5	106.3	1.5	2.4	5.6
Sep	103.3	0.7	0.9	3.0	106.4	0.1	2.1	6.3
Oct	103.8	0.5	0.6	2.7	106.3	-0.2	1.9	6.2
Nov	102.8	-0.9	0.6	1.7	106.3	0.1	1.1	4.7
Dec	102.1	-0.7	-	1.0	105.3	-0.9	0.1	4.0
1997 Jan	103.6	1.5	-0.3	0.7	106.4	1.0	-0.3	4.3
Feb	103.7	0.1	-0.1	1.9	107.7	1.2	0.1	4.8
Mar	102.0	-1.6	0.2	2.1	108.5	0.7	1.5	5.6
Apr	103.9	1.8	0.4	2.2	108.6	0.1	2.1	5.8
May	102.9	-1.0	-0.2	1.3	108.7	0.1	2.0	5.8
Jun	103.4	0.5	0.3	1.3	108.9	0.2	1.1	4.9
Jul	104.0	0.6	0.2	0.8	110.0	0.9	0.9	4.6
Aug	103.7	-0.4	0.7	1.0	110.0	-	1.0	4.2
Sep	104.2	0.5	0.5	1.0	109.1	-0.8	0.9	3.7
Oct	104.5	0.3	0.7	0.9	111.7	2.4	1.0	3.7
Nov	104.4	-0.1	0.7	1.1	110.8	-0.8	0.8	3.9
Dec	104.4	-0.1	0.5	1.5	111.5	0.6	1.5	5.0
1998 Jan	105.0	0.6	0.4	1.7	112.8	1.2	1.3	5.3
Feb	106.0	1.0	0.7	1.9	112.0	-0.7	1.4	5.3
Mar	105.3	-0.7	0.9	2.2	112.4	0.4	1.0	4.5
Apr	105.7	0.4	1.0	2.4	113.1	0.6	0.8	4.0
May	103.8	-1.8	-0.2	1.9	115.1	1.7	1.3	4.6
Jun	104.2	0.4	-0.8	1.1	113.9	-1.0	1.5	4.9
Jul	105.2	0.9	-1.2	0.9	115.1	1.0	1.9	5.0
Aug	105.0	-0.1	-0.1	1.1	114.6	-0.4	0.9	4.5
Sep	104.6	-0.4	0.3	0.9	114.4	-0.2	0.5	4.5
Oct	104.5	-0.1	0.3	0.6	114.3	-0.1	-0.3	3.8
Nov	104.7	0.2	-0.2	0.2	115.3	0.9	0.1	3.7
Dec	105.3	0.6	-0.1	0.4	114.4	-0.7	-	3.0
1999 Jan	104.6	-0.7	0.2	0.3	115.7	1.1	0.6	3.1
Feb	104.9	0.3	0.3	-0.1	116.1	0.4	0.7	3.0
Mar	105.8	0.9	0.3	-0.3	117.4	1.1	1.5	3.6
Apr	104.9	-0.9	0.3	-0.4	116.6	-0.7	1.4	3.7
May	105.1	0.2	0.3	0.3	118.1	1.3	1.7	3.3
Jun	105.0	-0.1	-0.1	0.4	117.8	-0.2	0.9	3.0
Jul	106.1	1.0	0.2	1.0	118.0	0.2	1.1	2.9
Aug	107.2	1.0	0.8	1.2	118.9	0.8	0.8	3.2
Sep	106.5	-0.6	1.5	1.6	119.0	0.1	1.0	3.5
Oct	105.8	-0.7	1.0	1.7	119.9	0.8	1.1	4.3
Nov	107.5	1.6	0.5	1.9	120.5	0.5	1.3	4.5
Dec	106.9	-0.5	0.1	1.8	120.4	-0.1	1.4	4.9
2000 Jan	108.4	1.5	1.0	2.6	122.8	1.9	1.6	5.3
Feb	106.1	-2.1	0.5	2.1	121.3	-1.2	1.4	5.3
Mar	108.3	2.1	0.9	2.4	122.0	0.6	1.4	4.8
Apr	108.1 [†]	-0.3 [†]	-0.1	2.2 [†]	121.7 [†]	-0.2 [†]	0.4	4.2 [†]
May	109.9	1.7	1.5 [†]	3.3	122.7	0.8	0.5 [†]	4.1
Jun	109.6	-0.3	1.4	4.0	123.2	0.5	0.4	4.3

For footnotes see table 1 of this article.

Sources: For further information on these data please;
 telephone 01633 813388;
 fax 01633 812575;
 or email hugh.skipper@ons.gov.uk

Corporate Services Price Index (Prototype) – 2nd quarter 2000

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Introduction

This summary contains the latest quarter's results for the prototype Corporate Services Price Index (CSPI) and the 20 industry-level indices currently available. Full background and details of the development of the CSPI were included in an article published in the July 2000 issue of Economic Trends.

As a brief reminder "corporate services" are those services purchased by businesses from other businesses to support them in their usual line of activity. Broadly, the CSPI is the services sector equivalent of the manufacturing Producer Price Index (PPI). Examples of services currently covered are road freight, courier services and business telecommunications. Others to be added in the future include insurance, banking and professional services such as accountancy. Services provided to final consumers are excluded since these are in the Retail Price Index (RPI).

The main uses of the CSPI are as:

- a key indicator of inflation in the services sector;
- a deflator of service sector output for use in calculating GDP and, in the future, the compilation of the Index of Services; and
- an information tool for business itself.

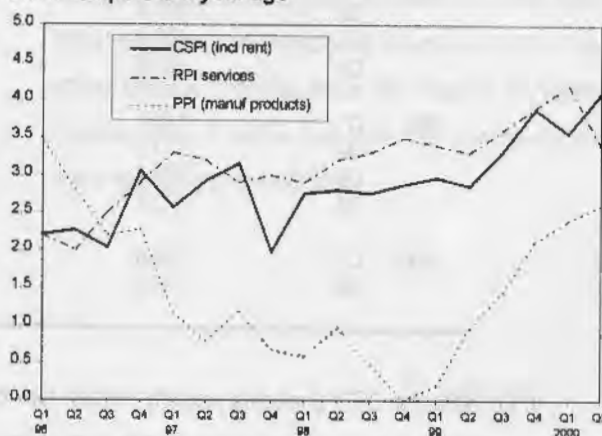
From late 2001 onwards, the aim is to issue a quarterly ONS First Release which will cover the majority of the corporate services sector in the top-level index.

N.B. Measurement of service sector prices is inherently difficult and challenging. When viewing the results it should be borne in mind that many of the indices shown are regarded as experimental, particularly those that have been added to the series more recently. Therefore some of the results will be subject to revision before the completion of the CSPI development project. The top-level index should therefore be viewed as a prototype.

Results for Quarter 2, 2000

The prototype top-level CSPI is constructed by weighting together the currently available industry level indices, which cover around 45% of all business to business services. The index (which includes property rental) is shown below alongside the service sector RPI and the manufacturing PPI.

Prototype top-level CSPI compared with RPI for services and PPI for manufactured products: percentage change on same quarter a year ago



The graph shows that the annual rate of increase for the CSPI rose to 4.1 per cent in Q2 2000, above the rate for the RPI for services which reduced in Q2.

The top-level quarterly results are shown in the table that follows. Results are also shown with *property rental payments* excluded from the top-level index – a service category which has a significant effect on the overall index due to its relatively high weighting (just under a third). As more industries are included then its impact will reduce (in an index covering all the targeted industries, property rental payments would have a weighting of less than 15 per cent).

Prototype corporate services price index (CSPI), quarterly index values and percentage changes:

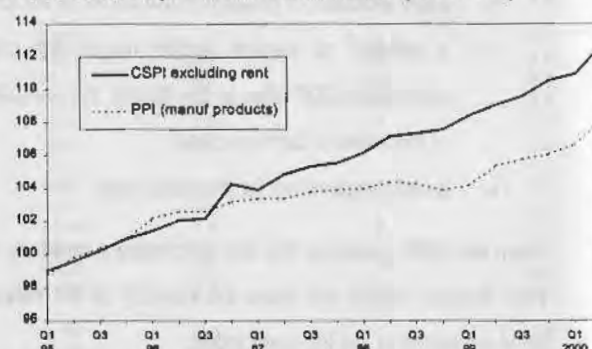
Quarterly CSPI index values (1995 =100)				Percentage change on same quarter in previous year (%)	
		Including rent	Excluding rent	Including rent	Excluding rent
1995	Q1	99.2	99.0	.	.
	Q2	99.7	99.6	.	.
	Q3	100.2	100.2	.	.
	Q4	100.8	101.0	.	.
1996	Q1	101.4	101.4	2.2	2.4
	Q2	102.0	102.1	2.3	2.5
	Q3	102.3	102.2	2.0	1.9
	Q4	103.9	104.3	3.1	3.3
1997	Q1	104.0	103.9	2.6	2.5
	Q2	104.9	104.9	2.9	2.8
	Q3	105.5	105.4	3.2	3.1
	Q4	105.9	105.6	2.0	1.2
1998	Q1	106.9	106.2	2.8	2.2
	Q2	107.9	107.2	2.8	2.2
	Q3	108.4	107.4	2.8	1.9
	Q4	109.0	107.6	2.9	2.0
1999	Q1	110.1	108.5	3.0	2.1
	Q2	111.0	109.1	2.9	1.8
	Q3	112.0	109.6	3.3	2.1
	Q4	113.2	110.6	3.9	2.7
2000	Q1	114.0	111.0	3.6	2.3
	Q2	115.6	112.6	4.1	3.2

In Q2 2000, the CSPI (including property rentals) rose by 1.4 per cent. The key rises contributing to this were charges for road freight and property rental payments.

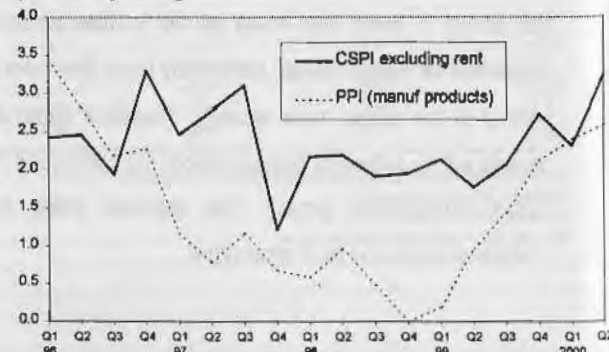
The top-level CSPI (excluding property rental payments) is compared to the net sector output PPI for manufactured products. As the graph indicates, increases in the prices of corporate services covered by this inquiry have shown a relatively smooth upward path since 1997 but have been at a greater rate over this period than that of the PPI.

Looking at the annual changes, i.e. the percentage change over the same quarter in the previous year, increases in the CSPI since mid-1996 have almost always been higher than those for the PPI. During 1999 the differences narrowed due to increases in the rate for the PPI, although the latest quarter shows a higher annual increase for the CSPI.

Comparison of prototype 'top-level' CSPI with PPI for manufactured products: index values (1995=100)



Comparison of prototype 'top-level' CSPI with PPI for manufactured products: percentage change on same quarter a year ago



Industry-specific indices

The main table contains the series for the 20 industries for which indices of corporate services prices are currently available. The weighting for each index is shown separately for when property rentals are included and excluded. Some key points to note are:

- *bus and coach hire* prices are up 3 per cent on the previous quarter and 9 per cent over the year, mainly due to increases in fuel bills and drivers' wages according to the industry;
- the costs of *road freight* have continued to rise, apparently due to the impact of increased fuel costs and drivers' wages and are 6 per cent higher than a year ago;
- a slight recovery in the prices for *sea and coastal water freight* appears to be continuing as a result of improved market conditions – a similar pattern is evident for *freight forwarding*;
- the intense competition in the *business telecommunications* industry seems to be reflected by the prices remaining about 16 per cent lower than they were in 1995;
- the 13 per cent fall in charges for sewerage services in the latest quarter reflects Ofwat's new price controls which came into effect in April 2000;
- charges for *waste disposal* rose by 3 per cent in quarter 2 2000. This increase will partly reflect the higher rate of Landfill Tax which came into force in April 2000. The tax rose to £11 per tonne from £10 per tonne according to the annual price escalator announced in the Budget. Previously it had risen to £10 per tonne from £7 in April 1999 following its introduction in quarter 4 1996 – the effects of these earlier changes also show in the waste disposal index. Increase fuel costs are also having an effect according to the industry.

Notes to the main table:

1. There are external sources for the indices denoted by an asterisk, as follows:

Index	Source
Property rental payments	Investment Property Databank (IPD)
Car contract hire and maintenance and repair of motor vehicles	Yewtree.com Ltd
Construction plant hire	Construction Plant Hire Association (CPA)
Business telecommunications	Published sources: Tarifica Telecom Pricing Intelligence and What Cellphone magazine
Sewerage services	Ofwat (Office of the Water Regulator)
National post parcels	Parcel Force

2. The weights shown do not sum to 100 because, although the indices for *business air fares* and *national post parcels* are included in the calculation of the prototype top-level CSPI, they are not shown separately as they are disclosive.

Corporate Services Price Indices (PROTOTYPE) (1995=100)

	Maintenance and repair of motor vehicles*	Bus and coach hire	Freight transport by road		Commercial vehicle ferries	Sea and coastal water freight	Freight forwarding	Courier services
SIC(92):	50.20	60.23/1	Total	International component	61.10/1	61.10/2	63.40	64.12
1995 weights (%):								
(including property rentals)	4.16	0.62	20.87		0.64	0.62	6.09	1.02
(excluding property rentals)	6.17	0.92	30.92		0.80	0.92	9.02	1.51
Annual								
1995	100.0	100.0	100.0	100.0	..	..	..	..
1996	99.8	103.0	103.8	101.1	..	..	..	100.4
1997	104.5	108.5	110.4	105.2	95.9	95.4	103.9	101.4
1998	106.0	116.2	113.4	105.4	95.4	99.6	99.2	105.6
1999	108.0	119.7	116.5	101.4	101.9	79.6	96.5	107.0
Percentage change, latest year on previous year								
1996	-0.2	3.0	3.8	1.1	..	..	..	..
1997	4.7	6.4	6.3	4.0	..	..	..	1.0
1998	1.4	6.1	2.7	0.2	-0.4	-7.2	-4.6	4.2
1999	1.9	3.9	2.7	-3.8	5.6	-10.2	-3.7	1.3
Quarterly results (not seasonally adjusted)								
1995 Q1	102.0	97.4	99.0	99.0	..	..	..	..
Q2	100.1	100.2	99.4	99.4	..	..	..	..
Q3	99.2	101.2	100.2	100.2	..	..	..	99.9
Q4	98.6	101.2	101.2	101.4	..	..	..	100.3
1996 Q1	99.1	101.9	102.3	101.6	..	..	..	99.7
Q2	99.6	102.4	103.4	100.0	..	..	..	100.3
Q3	99.9	103.5	103.6	100.2	103.4	97.2	..	100.8
Q4	100.8	104.2	105.9	102.5	100.9	96.3	..	100.6
1997 Q1	104.2	106.8	108.3	101.7	99.2	95.2	103.5	101.2
Q2	104.4	108.4	110.5	106.3	98.0	95.4	103.7	101.5
Q3	104.8	109.2	111.3	106.3	95.8	95.7	104.0	101.2
Q4	104.8	109.8	111.4	106.3	94.4	95.6	104.4	101.7
1998 Q1	106.4	111.9	112.2	105.2	97.0	93.7	102.2	102.7
Q2	106.4	115.5	113.3	105.8	96.3	88.4	99.7	106.8
Q3	106.3	116.2	113.9	105.0	95.9	89.1	99.1	106.8
Q4	106.1	117.1	114.3	104.6	96.6	84.0	96.7	107.3
1999 Q1	107.0	118.4	114.8	104.3	103.8	81.8	97.4	107.3
Q2	107.9	119.6	116.5	100.6	102.7	81.2	94.7	106.9
Q3	108.2	120.1	116.8	100.5	101.5	77.1	94.5	106.9
Q4	108.9	120.5	119.0	100.4	99.6	78.0	95.4	107.0
2000 Q1	109.2	126.6	119.3	102.3	102.1	79.3	96.2	108.5
Q2	109.5	130.8	122.6	102.3	101.5	81.3	96.5	108.7
Percentage change, latest quarter on previous quarter								
1995 Q1	0.5	0.6	1.1	0.2	..	..	..	-0.6
Q2	0.4	0.5	1.0	-1.6	..	..	..	0.5
Q3	0.5	1.1	0.3	0.1	..	..	..	0.6
Q4	0.8	0.7	2.2	2.3	-2.4	-1.0	..	-0.3
1997 Q1	3.4	2.4	2.3	-0.8	-1.7	-1.1	..	0.6
Q2	0.2	1.5	2.0	4.6	-1.2	0.2	0.2	0.3
Q3	0.4	0.8	0.8	0.0	-2.3	0.3	0.3	-0.4
Q4	0.0	0.5	0.1	0.0	-1.4	-0.2	0.4	0.5
1998 Q1	0.6	1.9	0.8	-1.1	2.7	-1.9	-2.1	1.0
Q2	0.9	3.2	0.9	0.6	-0.8	-5.7	-2.5	3.1
Q3	-0.1	0.5	0.5	0.2	-0.4	-0.3	-1.6	0.9
Q4	-0.2	0.8	0.3	-1.3	0.8	-4.6	-1.4	0.5
1999 Q1	0.8	1.1	0.5	-0.3	7.4	-2.6	0.7	0.0
Q2	0.8	1.0	0.6	-3.6	-1.1	-0.7	-2.8	-0.4
Q3	0.4	0.5	1.2	-0.1	-1.2	-5.1	-0.2	0.0
Q4	0.6	0.3	1.9	-0.1	-1.8	1.1	0.9	0.1
2000 Q1	0.2	5.1	0.3	1.9	2.5	1.6	-0.2	1.4
Q2	0.3	3.3	2.8	0.0	-0.6	2.6	0.3	0.2
Percentage change, latest quarter on corresponding quarter of previous year								
1995 Q1	-2.8	4.5	3.3	2.7	..	..	..	..
Q2	-0.6	2.2	4.0	0.6	..	..	..	..
Q3	0.8	2.3	3.4	0.0	..	..	..	1.0
Q4	2.2	3.0	4.6	1.1	..	..	..	0.2
1997 Q1	6.1	4.8	6.9	0.1	..	..	..	1.6
Q2	5.0	6.9	7.0	6.3	..	..	..	1.2
Q3	4.9	5.5	7.4	6.1	-7.4	-1.6	..	0.3
Q4	4.0	5.3	5.1	3.8	-6.5	-0.8	..	1.1
1998 Q1	1.1	4.8	3.6	3.4	-2.2	-1.5	-1.2	1.4
Q2	1.9	6.6	2.6	-0.6	-1.8	-7.3	-3.8	4.2
Q3	1.4	6.4	2.4	-0.3	0.1	-7.9	-6.7	6.5
Q4	1.3	6.6	2.6	-1.6	2.3	-12.0	-7.3	6.6
1999 Q1	1.6	6.8	2.3	-0.9	7.0	-12.7	-4.7	4.6
Q2	1.4	3.6	1.9	-4.9	6.6	-8.1	-6.0	1.0
Q3	1.8	3.4	2.5	-5.2	5.8	-12.5	-3.6	0.1
Q4	2.7	2.9	4.1	-4.1	3.1	-7.2	-1.3	-0.3
2000 Q1	2.0	6.9	3.9	-1.9	-1.6	-3.1	-2.3	1.1
Q2	1.5	9.4	6.2	1.7	-1.1	0.1	0.8	1.7

Corporate Services Price Indices (PROTOTYPE) (1995=100) – continued

	Business telecoms services*	Property rental payments*	Car contract hire*	Construction plant hire*	Employment agencies	Security services	Industrial cleaning	Commercial film processing
SIC(92):	64.20	70.20	71.10	71.32	74.50	74.60	74.70	74.81
1995 weights (%):								
(including property rentals)	7.80	32.51	1.41	2.10	6.66	1.21	2.40	0.09
(excluding property rentals)	11.56	0.00	2.09	3.11	9.87	1.79	3.55	0.13
Annual								
1995	..	100.0	..	..	..	..	100.0	100.0
1996	..	102.2	..	98.4	..	99.4	99.4	101.7
1997	85.8	106.4	96.4	96.6	109.9	99.6	98.8	104.7
1998	83.4	110.0	97.6	99.8	114.9	100.3	101.3	106.6
1999	83.4	116.0	99.2	103.9	120.6	103.0	101.8	106.6
Percentage change, latest year on previous year								
1996	..	2.2	..	..	..	..	-0.6	1.7
1997	..	3.1	..	-1.9	..	0.1	-0.6	2.9
1998	-2.7	4.3	1.2	3.4	5.6	0.9	2.5	0.8
1999	-0.1	5.4	1.7	4.1	4.9	2.7	0.6	0.1
Quarterly results (not seasonally adjusted)								
1995 Q1	..	99.4	..	..	..	..	100.0	96.7
Q2	..	99.8	..	..	..	..	100.0	99.9
Q3	..	100.2	..	..	..	100.0	100.1	100.4
Q4	..	100.6	..	..	..	100.0	99.9	101.0
1996 Q1	..	101.4	..	98.4	..	99.9	100.1	101.3
Q2	..	101.8	93.4	99.7	..	100.3	99.8	101.1
Q3	..	102.3	93.2	99.0	..	99.8	99.7	100.2
Q4	..	103.2	94.1	96.7	..	98.7	98.8	104.1
1997 Q1	88.0	104.2	96.1	98.2	107.0	98.9	98.8	104.4
Q2	85.6	105.1	96.7	96.3	108.4	99.2	98.6	104.4
Q3	85.0	105.7	96.2	94.9	109.9	99.7	98.9	104.7
Q4	84.4	106.7	96.6	96.6	110.4	100.0	99.0	106.3
1998 Q1	83.6	108.4	97.6	101.3	112.9	100.3	100.8	106.6
Q2	83.1	109.3	96.4	99.8	114.1	99.8	101.3	106.6
Q3	83.6	110.6	96.9	99.1	116.3	100.4	101.6	106.6
Q4	83.6	111.7	97.3	99.1	117.6	100.8	101.7	106.6
1999 Q1	83.6	113.4	97.8	105.3	119.4	101.4	101.8	106.6
Q2	83.4	114.9	98.1	102.6	120.7	102.5	101.9	106.6
Q3	83.3	116.9	99.6	103.0	121.0	103.9	101.9	106.6
Q4	83.3	118.7	101.4	104.6	121.3	104.3	101.7	106.6
2000 Q1	83.7	120.3	102.3	104.6	121.6	104.3	101.8	106.9
Q2	83.7	121.7	102.7	106.2	122.3	104.3	101.9	106.9
Percentage change, latest quarter on previous quarter								
1996 Q1	..	0.8	..	..	..	0.0	0.2	0.3
Q2	..	0.4	..	1.3	..	0.4	-0.3	-0.2
Q3	..	0.6	-0.2	-0.7	..	-1.6	-1.1	-0.9
Q4	..	0.9	1.0	-2.3	..	0.0	0.0	3.9
1997 Q1	..	0.9	2.1	1.6	..	0.2	0.0	0.3
Q2	-2.8	0.8	0.6	-1.9	1.2	0.3	-0.2	0.0
Q3	-0.6	0.6	-0.6	-1.4	1.4	0.5	0.3	0.3
Q4	-0.8	0.9	0.3	1.8	0.6	0.3	0.1	0.6
1998 Q1	-1.0	1.6	1.1	4.8	2.2	0.3	1.8	0.2
Q2	-0.4	0.9	0.8	-1.4	1.1	-0.6	0.6	0.0
Q3	0.4	1.1	-1.5	-0.7	1.0	0.6	0.2	0.0
Q4	0.0	1.1	0.4	0.0	1.9	0.3	0.1	0.0
1999 Q1	0.0	1.6	0.6	6.3	1.6	0.6	0.1	0.0
Q2	-0.1	1.3	0.3	-2.6	1.0	1.1	0.1	0.1
Q3	-0.1	1.8	1.6	0.6	0.2	1.4	0.0	0.0
Q4	0.0	1.5	1.9	1.6	0.3	0.4	-0.2	0.0
2000 Q1	0.5	1.4	0.9	0.0	0.2	0.0	0.0	0.3
Q2	0.0	1.2	0.4	0.6	0.6	0.0	0.1	0.0
Percentage change, latest quarter on corresponding quarter of previous year								
1996 Q1	..	2.0	..	..	..	..	0.1	2.7
Q2	..	2.0	..	..	..	..	-0.1	1.2
Q3	..	2.2	..	..	..	-1.2	-1.3	-0.2
Q4	..	2.7	..	..	..	-1.3	-1.2	3.0
1997 Q1	..	2.8	..	-0.2	..	-1.0	-1.3	3.0
Q2	..	3.2	3.6	-3.4	..	-1.1	-1.2	3.3
Q3	..	3.3	3.2	-4.1	..	1.0	0.2	4.5
Q4	..	3.3	2.6	-0.1	..	1.3	0.3	1.1
1998 Q1	-5.2	4.0	1.6	3.1	6.5	1.4	2.1	1.1
Q2	-2.9	4.1	1.8	3.6	6.3	0.6	2.8	1.1
Q3	-1.8	4.5	0.8	4.4	4.9	0.7	2.6	0.8
Q4	-1.0	4.8	0.8	2.6	6.4	0.8	2.6	0.2
1999 Q1	0.0	4.7	0.2	4.0	6.8	1.1	0.9	0.0
Q2	0.3	5.1	-0.3	2.8	5.7	2.6	0.6	0.1
Q3	-0.3	5.8	2.7	4.0	4.9	3.4	0.4	0.1
Q4	-0.2	6.2	4.2	6.6	3.2	3.6	0.1	0.1
2000 Q1	0.3	6.1	4.7	-0.7	1.8	2.9	0.0	0.4
Q2	0.4	6.9	4.8	2.6	1.3	1.8	0.0	0.3

Corporate Services Price Indices (PROTOTYPE) (1995=100) – continued

SIC(92):	Translation & Interpretation services 74.83 (part)	Adult education 80.42	Sewerage services 90.10	Waste disposal 90.20	Commercial washing & dry cleaning 93.01	PROTOTYPE TOP-LEVEL CPI	
						Including property rentals	Excluding property rentals
1996 weights (%):							
(including property rentals)	0.16	0.61	1.40	2.52	0.61	100.00	..
(excluding property rentals)	0.23	0.91	2.07	3.74	0.90	..	100.00
Annual							
1996	..	100.0	100.0	100.0	..	100.0	100.0
1996	..	103.4	105.5	111.3	..	102.5	102.6
1997	..	108.5	109.9	126.8	..	105.1	104.9
1998	106.9	111.1	114.1	129.0	108.9	108.0	107.1
1999	108.5	114.7	118.1	138.1	112.1	111.6	109.4
Percentage change, latest year on previous year							
1996	..	3.4	5.5	11.3	..	2.5	2.8
1997	..	4.9	4.2	13.9	..	2.5	2.1
1998	..	2.4	3.8	1.8	..	2.8	2.1
1999	1.6	3.2	3.4	7.0	2.9	3.3	2.2
Quarterly results (not seasonally adjusted)							
1996 Q1	..	99.4	95.8	96.4	..	99.2	99.0
Q2	..	100.1	101.4	98.8	..	99.7	99.6
Q3	..	99.9	101.4	101.7	..	100.2	100.2
Q4	..	100.6	101.4	104.1	..	100.8	101.0
1996 Q1	..	102.7	101.4	106.4	..	101.4	101.4
Q2	..	103.4	106.8	107.1	..	102.0	102.1
Q3	..	103.6	106.8	109.2	..	102.3	102.2
Q4	..	104.1	106.8	123.7	..	103.9	104.3
1997 Q1	..	107.2	106.8	126.4	..	104.0	103.9
Q2	..	107.3	111.0	125.9	..	104.9	104.9
Q3	106.5	108.8	111.0	126.8	106.5	105.5	105.4
Q4	106.6	110.7	111.0	128.0	107.7	105.9	105.6
1998 Q1	106.9	111.1	111.0	128.5	107.3	106.9	106.2
Q2	106.7	110.9	115.2	129.2	109.2	107.9	107.2
Q3	106.9	110.7	115.2	128.9	109.8	108.4	107.4
Q4	107.1	111.9	115.2	129.3	109.4	109.0	107.6
1999 Q1	106.5	113.9	116.2	130.9	110.6	110.1	109.5
Q2	106.6	114.4	119.0	139.6	112.6	111.0	109.1
Q3	106.6	115.0	119.0	140.8	112.4	112.0	109.6
Q4	106.6	115.4	119.0	140.9	112.9	113.2	110.6
2000 Q1	108.9	117.6	119.0	141.7	114.6	114.0	111.0
Q2	108.8	117.5	104.0	146.5	116.0	116.6	112.6
Percentage change, latest quarter on previous quarter							
1996 Q1	..	2.0	0.0	1.2	..	0.6	0.6
Q2	..	0.8	6.3	1.7	..	0.5	0.6
Q3	..	0.2	0.0	2.0	..	0.3	0.1
Q4	..	0.4	0.0	13.3	..	1.6	2.1
1997 Q1	..	3.0	0.0	2.2	..	0.2	-0.3
Q2	..	0.1	3.9	-0.4	..	0.9	0.9
Q3	..	1.4	0.0	0.7	..	0.5	0.4
Q4	0.1	1.7	0.0	0.9	1.1	0.4	0.2
1998 Q1	0.2	0.3	0.0	0.4	-0.4	0.9	0.6
Q2	-0.1	-0.2	3.8	0.5	1.7	0.9	0.9
Q3	0.2	-0.2	0.0	-0.2	0.6	0.5	0.2
Q4	0.2	1.1	0.0	0.3	-0.4	0.5	0.2
1999 Q1	1.3	1.8	0.0	1.2	1.0	1.0	0.8
Q2	0.0	0.4	3.3	6.7	1.9	0.8	0.6
Q3	0.0	0.5	0.0	0.8	-0.1	0.9	0.5
Q4	0.0	0.4	0.0	0.1	0.5	1.1	0.9
2000 Q1	0.4	1.9	0.0	0.6	1.5	0.7	0.4
Q2	-0.1	-0.1	-12.6	3.4	0.3	1.4	1.5
Percentage change, latest quarter on corresponding quarter of previous year							
1996 Q1	..	3.3	5.8	10.4	..	2.2	2.4
Q2	..	3.3	6.3	8.4	..	2.3	2.5
Q3	..	3.7	6.3	7.4	..	2.0	1.9
Q4	..	3.4	6.3	18.8	..	3.1	3.3
1997 Q1	..	4.5	6.3	20.0	..	2.6	2.6
Q2	..	3.7	3.9	17.6	..	2.9	2.8
Q3	..	5.1	3.9	16.1	..	3.2	3.1
Q4	..	6.4	3.9	3.4	..	2.0	1.2
1998 Q1	..	3.6	3.9	1.6	..	2.8	2.2
Q2	..	3.3	3.8	2.6	..	2.8	2.2
Q3	0.4	1.7	3.8	1.7	3.1	2.8	1.9
Q4	0.4	1.1	3.8	1.1	1.5	2.9	2.0
1999 Q1	1.6	2.5	3.8	1.9	3.0	3.0	2.1
Q2	1.7	3.2	3.3	8.1	3.0	2.9	1.8
Q3	1.5	3.8	3.3	9.2	2.3	3.3	2.1
Q4	1.4	3.1	3.3	8.9	3.2	3.9	2.7
2000 Q1	0.4	3.2	3.3	8.2	3.7	3.6	2.3
Q2	0.3	2.7	-12.6	4.9	2.2	4.1	3.2

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Summary

The environmental accounts are now an established part of national accounts. They include the atmospheric emissions and energy accounts for 1990 to 1998 which are now fully developed and able to support very detailed analyses; accounts of oil and gas reserves in physical terms; a time series for material imports and exports; and analyses of environmental protection expenditures and environmental taxes. Work is in hand to develop both a full account of material resource use and a regularly updated monetary balance sheet for oil and gas reserves and to establish a time series of environmental protection expenditure accounts. This note illustrates the kinds of analyses that are now possible and considers areas for further work.

Introduction

Environmental accounts provide a link between environmental statistics and the picture of the economy portrayed in the standard national accounts: typically they attempt to describe the extent to which the economy depends upon natural resources, and the impact of economic activity upon the environment. Although the environmental accounts incorporate a number of key sustainable development indicators, they can mainly be seen as an analytical tool with which to understand past events and assess the potential impact of future changes.

The environmental accounts have been progressively developed over the last few years, with the first set of pilot accounts, for 1993, published in August 1996¹, and updated and extended analyses published in a compendium volume in 1998². More recently a summary of the accounts has been published in the *National Accounts Blue Books* for 1999 and 2000³, with more detailed information available on the National Statistics website at

http://www.statistics.gov.uk/nsbase/themes/environment/Articles/environmental_accounts.asp. The accounts can be expected to increase in usefulness in the future as a longer time series is established.

The following sections focus on three of the main areas covered by the accounts: atmospheric emissions and energy consumption; fossil fuel and other material resource use; and environmental protection expenditures.

Atmospheric emissions and energy use accounts

The atmospheric emissions and energy use accounts identify the emissions of air pollutants and the energy consumption of 91 different industrial sectors, for each year 1990 to 1998. The pollutants include the full basket of six greenhouse gases covered by the Kyoto protocol, the three gases which contribute towards acid rain and the eight pollutants addressed in the Government's Air Quality Strategy⁴, while the energy accounts describe the consumption of 19 different types of fossil fuels. The underlying data is derived from the national atmospheric emissions inventory (NAEI)⁵ so that, for each industrial sector, a fairly detailed analysis of the processes and fuels used to generate the emissions is possible.

The following example for the Food and Drink sector shows how the sources of that industry's CO₂ emissions have changed over time. Overall, emissions have decreased by 15 per cent from 3.1 million tonnes of carbon in 1990 to 2.6 million tonnes in 1998. (See Figure 1).

The atmospheric emissions accounts show how this decrease is a result of switching production using fuel oil and other (non-gas) fossil fuels to production using natural gas. There have also been energy efficiency savings, with total energy use decreasing by 6 per cent. Emissions from autogeneration (the production of electricity for own use) have however increased over the period. (See Figure 2).

Figure 1
Total CO₂ emissions from UK Food and Drink sector 1990 to 1998 (kilotonnes carbon)

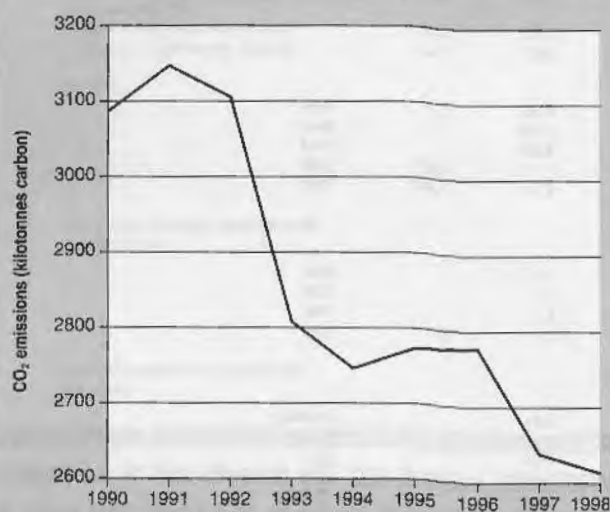
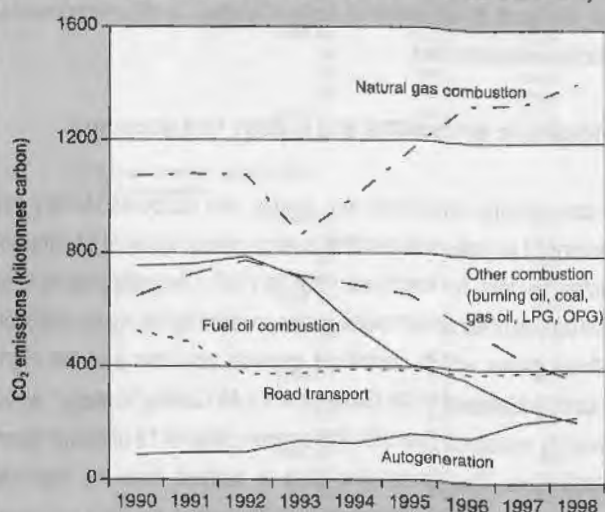


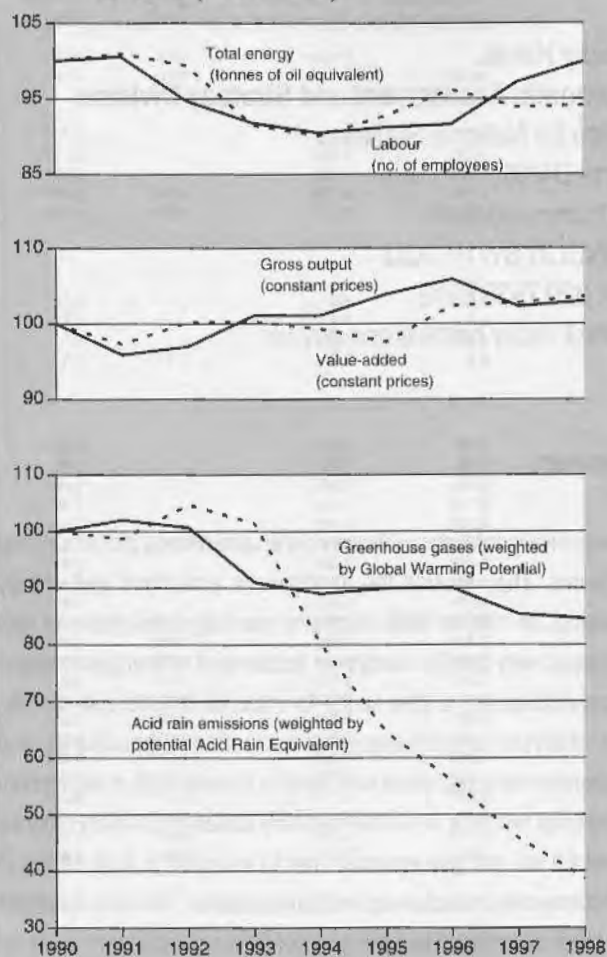
Figure 2
CO₂ emissions from UK Food and Drink sector 1990 to 1998 (kilotonnes carbon)



The environmental accounts also enable the atmospheric emissions and energy use data to be directly linked with economic data to show how emissions have changed in relation to economic activity. Thus, for the Food and Drink sector, it is possible to see how economic outputs - gross output and value added in monetary terms - have increased slightly over the period, while employment has decreased marginally and greenhouse gases, acid rain emissions and fossil fuel use have declined markedly. (See Figure 3).

The link with national accounts can be taken further, through the use of input-output tables which describe the monetary relationship between sectors of the economy. One of the next steps will therefore be to seek to explain how much of the change in the level of emissions

Figure 3
Profile of UK Food and Drink sector 1990 to 1998 (1990=100)



can be attributed to structural changes within the economy, both in terms of the mix of goods and services produced and, for individual sectors, in terms of changes in the inputs used to create the goods and services.

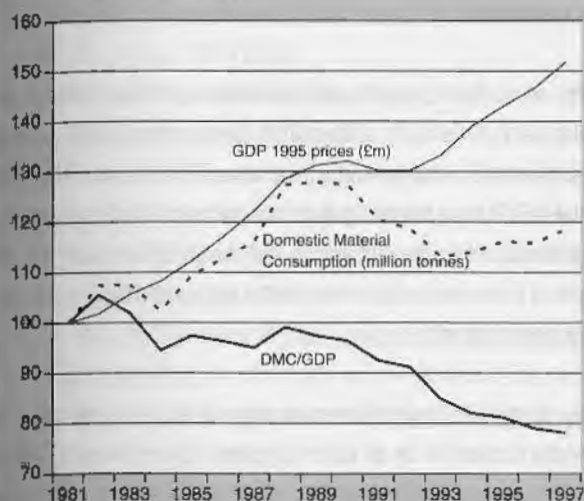
Analyses of environmental accounts do not need to be limited to activities taking place within the UK, since atmospheric emissions and other accounts have also been developed in a number of other, primarily EU, countries. In principle, therefore, it would be possible to make international comparisons of the emissions intensities of each country's industries. Some preliminary work has been carried out assessing methodologies for measuring emissions arising from the production of goods for import to the UK⁶ and more work on measuring cross-boundary transfers and transportation emissions is planned.

Fossil fuel and other material resource use

The value of compiling a profile of the economic and environmental performance of individual industrial sectors would be enhanced by

Figure 4

UK Materials Resource Use 1981 to 1997
(1981 = 100)



Source: DETR/Wuppertal Institute

the inclusion of indicators of overall resource use, as it would then be possible to make an assessment of the extent to which production is being decoupled from resource use and environmental impact. This is one of the main objectives of sustainable development policy, and resource use is one of the core indicators proposed by the Government in the baseline assessment of the UK sustainable development strategy⁷.

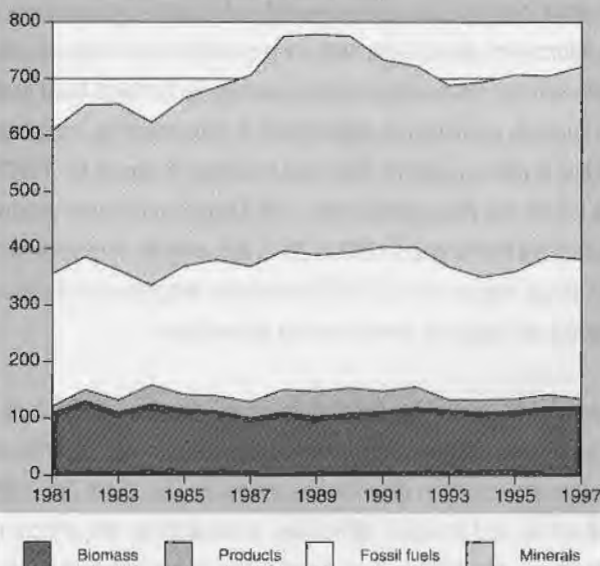
The Department of the Environment, Transport and the Regions (DETR), in conjunction with the Office for National Statistics, has commissioned research into resource use and material flows in the UK. The full results will not be available until later in the year, but provisional figures are available for some of the indicators under development. These show how resource use in aggregate (as measured by Domestic Material Consumption or DMC, which is defined as domestic extraction plus imported goods less exports) increased in line with Gross Domestic Product (GDP) during the 1980s, but has since decreased while GDP has continued to rise. (See Figure 4).

The aggregate level of resource consumption is not in itself a particularly meaningful statistic, in that it involves adding together the weight of all the resources used by the UK economy regardless of their relative scarcity or environmental importance. It can be seen as the starting point for a more detailed analysis of the underlying trends in resource consumption.

Underlying the increase in the UK's Domestic Material Consumption, the preliminary results show that while fossil fuel consumption increased by 5 per cent in weight terms, the weight of finished and

Figure 5

UK Domestic Material Consumption 1981 to 1997
(million tonnes)



Source: DETR/Wuppertal Institute

semi-manufactured products imported into the UK economy varied considerably over the same period. It may therefore be that some other indicator, such as the Total Material Requirement or the Total Material Consumption, which additionally take into account the hidden flows of materials associated with the imports of manufactured products, would better reflect the total resources involved in the UK's consumption of finished and semi-manufactured goods. (See Figure 5).

Material resource accounts describe not only the use and consumption of resources by the economy, but also report on outputs from the economy to the environment. It is intended that the results of the recent surveys of waste arisings⁸, as well as the emissions of atmospheric pollutants described above, will be incorporated into the account.

Another aspect of sustainable development policy concerns the prudent use of non-renewable natural resources such as oil and gas. Ideally the environmental accounts should record the physical and monetary values of the reserves and the reductions due to extraction, but in practice there is considerable uncertainty both about the amounts of oil and gas which are believed to be recoverable within the UK Continental Shelf (UKCS) and about the future unit prices of the fuels. The environmental accounts now routinely include an assessment of the expected physical levels of oil and gas remaining in the UKCS and, following an analysis of different approaches to valuing the reserves⁹, it is intended that a full monetary balance sheet will be incorporated on a regular basis in the future.

Expenditure on environmental protection

It would be possible to add a further element to the profiles of industrial economic and environmental performance by incorporating the information about each sector's expenditure on environmental protection into the environmental accounts. So far there have been two surveys, covering the expenditure of manufacturing industries, the first a pilot survey for 1994 and the second survey for 1997¹⁰. The DETR has now commissioned URS Dames and Moore to carry out surveys for the years 1999 to 2001, following the requirement of EU Council Regulation EC 58/97 concerning the provision of annual statistics on industrial environmental expenditure.

In principle it should be possible to assess the extent to which a sector's expenditure on environmental protection has contributed towards reductions in atmospheric emissions, but there are many conceptual and practical difficulties in measuring the effects of abatement expenditure that need to be overcome first. In the meantime the most promising avenue seems to be to attribute the emissions reported on the Inventory of Sources and Releases (also known as the Pollution Inventory) maintained by the Environment Agency¹¹ to the standard industrial sectors, and link the estimates with the survey data on environmental protection expenditure and with other economic data¹².

It would also be useful to complement the environmental protection expenditure survey data with information on environmental expenditures by the Government and by the household sector. This would provide a more complete picture of the extent of environmental protection activity. The ONS has set up a project to investigate the potential sources of data. On the other side of the coin, industries also make contributions through their payment of environmental taxes, and research into the incidence of such taxes is under consideration.

Conclusions

Looking further ahead, there are two areas where it has proved difficult to make rapid progress. The first is in the development of an account for water resources and emissions to water. A framework for such an account was published in the *UK Environmental Accounts 1998*², and since then the ONS has been working with the Environment Agency to improve estimates of the amounts of pollutants released by industrial sectors. There are still a number of difficult practical and conceptual problems to overcome before the results can be incorporated into the accounts.

The second area concerns the potential for incorporating valuations of degradation into the environmental accounts. A number of studies

have been conducted - and are still continuing - into methodologies for assessing the cost of degradation¹³, but at present they are not sufficiently robust or comprehensive to be applied in a national accounts context.

On the other hand, good progress is being made towards the development of international standards in environmental accounting, both within the EU and the wider international community. The ONS and the DETR have made significant contributions to developments of standards within the EU and to the draft UN handbook on the System of Economic and Environmental Accounts which is currently out for consultation¹⁴.

Finally, the ONS is keen that environmental accounts data should be readily accessible by all potential users. For next year the ONS plans to issue a statistical bulletin containing a summary of the main results; the more detailed data is, and will continue to be, available either on request or from the National Statistics website at http://www.statistics.gov.uk/nsbase/themes/environment/Articles/environmental_accounts.asp. The basic data will be supplemented by occasional papers and working documents which will also be made available on the website.

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- ³ Office for National Statistics. *United Kingdom National Accounts (The Blue Book)*. The Stationery Office (1999, 2000).
- ⁴ Department of the Environment, Transport and the Regions. *The Air Quality Strategy*. The Stationery Office (2000).
- ⁵ The National Atmospheric Emissions Inventory is maintained by the National Environmental Technology Centre (NETCEN) on behalf of the Department of the Environment, Transport and the Regions.
- ⁶ Office for National Statistics. *Methodologies for estimating the levels of atmospheric emissions arising from the production of goods imported into the UK*. Report to Eurostat. ONS (2000).
- ⁷ Department of the Environment, Transport and the Regions. *Quality of life counts*. DETR (1999).
- ⁸ The results of the Environment Agency's survey of waste arisings are expected to be published by the end of the year.
- ⁹ Office for National Statistics. *The Valuation of the United Kingdom's Oil and Gas Reserves*. Paper to Eurostat Task Force on Sub Soil Assets. ONS (2000).

- 10 See Department of the Environment. *Environmental Protection Expenditure by Industry*. HMSO (1996), and Department of the Environment, Transport and the Regions. *Environmental Protection Expenditure by UK Industry: A Survey of 1997 Expenditure*. DETR (1999).
- 11 See the Environment Agency website at <http://www.environment-agency.gov.uk>
- 12 See ECOTEC. *Review of the potential for combined use of information from the inventory of sources and releases and environmental protection expenditure surveys*. Report to the Environment Agency (2000).
- 13 See the DETR website at <http://www.environment.detr.gov.uk/evslist/index.htm> for a full list of all the studies carried out.
- 14 See the London Group website at <http://ww2.statcan.ca/citygrp/london/publicrev/intro.htm>

The Retail Prices Index

Source: The Retail Prices Index (RPI) is published by the Office for National Statistics (ONS). The RPI is a measure of the average change in the prices paid by consumers for a basket of goods and services. It is used as a measure of inflation.

The RPI is calculated by the ONS using a basket of goods and services. The basket is made up of 1,000 different items, which are grouped into 10 different categories. The RPI is calculated by taking the average of the prices of these items, and then comparing it to the average price in the previous year.

Calculation of RPI

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The RPI is used as a measure of inflation. It is used to compare the prices of goods and services in different years. The RPI is also used to calculate the real value of money.

The RPI is published by the ONS. It is published monthly, and is available on the ONS website.

The RPI is used by the government to set the rates of interest. It is also used by the courts to calculate the value of money.

A New Classification System for the Retail Prices Index

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Main points

- A new classification system has been designed for the Retail Prices Index (RPI) which combines the changes needed to update the current system with a move to the Classification of Individual Consumption by Purpose (COICOP), an internationally agreed classification system for consumer expenditure and prices;
- The main benefits of the new classification system are a higher consistency of ONS indicators and an improved breakdown by area of consumption;
- Back series for sub-indexes will be calculated with a starting date of 1987, giving 17 years worth of data. At present longer runs are available for most sub-indexes. This will only continue to be the case for the components that are left unchanged by the move;
- The ONS will continue to produce and publish goods and services indexes, as users will experience increased difficulty in calculating their own goods/services indexes;
- The change will have no impact on the values of the all items RPI, RPIX, RPIY or the Rossi Index.

Introduction

There is a general move for official statistics to use the internationally agreed classification system COICOP. It has been adopted for major economic statistics such as Household Expenditure (National Accounts) data, the Harmonised Index of Consumer Prices (HICP) and the forthcoming Expenditure and Food Survey (EFS). Hence there are great advantages in using COICOP for the RPI and in being consistent across ONS outputs.

The current classification system for the RPI was last reviewed in 1987. Since that time UK households' spending patterns have

changed and people are now spending (proportionately) more on leisure, rent and housing charges and less on food, tobacco and clothes. Hence there is a need to update the RPI classification system so as to reflect the new spending patterns.

Therefore the ONS has adapted COICOP to provide a classification system (COICOP*) that is tailored to the needs of the UK RPI, combining a move to COICOP with an update of the current classification system.

Construction of COICOP*

The new classification system is designed to be as close as possible to COICOP, whilst presenting the same coverage as the current classification system and as far as possible respecting the separate identification of goods and services. So the new classification system COICOP* has been created using the COICOP framework, with some components of the original COICOP system subdivided to create lower level components that contain either only goods or only services.

Some other COICOP components, in particular food related ones, have been further subdivided in order to match the level of detail of the current RPI classification system. This subdivision has been done as finely as was possible without compromising the accuracy of the figures.

Conversely, a few COICOP components have been combined, as they would not attract sufficient expenditure weights in the calculation of the RPI.

The names of the components and the numbering are in line with the COICOP classification system, so that it is easy to compare COICOP*, COICOP and the HICP classification. This sometimes

means that numbers in COICOP* do not follow one another. For example group 4.4 contains two sections, numbered 4.4.1 and 4.4.3.

Differences between the current and the proposed classification systems

A move from the current RPI classification system to one based on COICOP will generate several changes in the way the RPI is constructed. The main ones are as follows.

The logic for grouping items¹ is fundamentally different for each of the two classifications. In the current RPI classification, all sections and most groups comprise *either goods or services*, with the possibility of these coming from diverse commodity areas. For example, the group *Household services* includes some items relating to the washing of clothes, electrical repairs, house contents insurance, telephone charges. In contrast, as COICOP* is based on the COICOP framework, the areas of consumption define the first breakdown, and the distinction between goods and services only occurs at the lowest level.

Similarly, in the current classification system the items relating to insurance appear under individual commodity groups (e.g. car insurance is in the motoring expenditure group). Under COICOP* however they are all included in a single group, which is then broken down into classes by type of insurance (e.g. insurance connected with the dwelling, with transport, etc.).

The COICOP* system endeavours to subdivide COICOP components into the sections that appear in the current RPI classification system, or that contain only goods or only services. However it has not always been possible to ensure this, because the weights for some of the resulting sections would be too small to provide reliable estimates.

In addition, other sections of the current classification have been attracting decreasing weights. The indexes corresponding to some of these sections are or are about to become unreliable. Moreover, any small weights undermine the accuracy of the all items RPI. For these reasons sections with small weights have also been combined.

Comparison with the HICP classification system

One benefit of a move to COICOP* is a greater coherence with the HICP classification, as both systems are based on COICOP. However the two classifications do not match exactly. The main points of comparison follow.

For COICOP* several components have been broken down further than in the original COICOP. For example *Bread and cereals* has been split into four components: *Bread*, *Cereals*, *Biscuits and cakes*, and *Pasta and pastry-cooked products*. This is not done for the HICP classification system.

Some other components have been grouped together which are not combined for the HICP. For example, *Liquid fuels* and *Solid fuels* are two distinct components for the HICP but under COICOP* form a single one, *Liquid and solid fuels*. The main reason is that the HICP takes account of the importance of the individual categories in the majority of Member States of the European Union, not just the UK. Another reason is that the RPI and the HICP have different definitions for their weights; in some cases the weights values are different enough to force the combining of the RPI components that can be kept separate for the HICP.

Some groups were created in COICOP* to cover items that the RPI currently takes into account but that do not appear under COICOP. For example group 4.6 - Owner-occupier housing costs, has been added into division 4 - Housing, water, electricity, gas and other fuels. Hence the two classifications are comparable at group level and below, but not at division level.

It is important to note that despite the increased comparability the differences in the coverage and the methodology mean that the RPI and the HICP remain two very distinct indexes, serving separate purposes.

Impact on the RPI and its sub-indexes

The change is presentational, having no impact on the value of the all items index or its accuracy.

It could however affect the use of goods/services indexes, due to the fact that some COICOP* sections will contain a mix of goods and services. The ONS will calculate goods/services indexes using item level data, respecting the split strictly. However, if users calculate their own goods or services indexes by combining published data for COICOP* sections, they may obtain different results. At present the differences would be small, as the mixed components are predominantly either goods or services, although this may change in the future. The same is true for the seasonal/non-seasonal split.

Other consequences

The move to COICOP* will bring the RPI in line with other ONS indicators such as the HICP, Household Expenditure data from National Accounts, and EFS data. It will therefore bring higher levels of consistency and comparability, and users will need to be familiar with only one core classification.

However, the scope for historical comparisons of section and item indexes will be reduced. At present the history of RPI components can be traced back beyond 1987. Sub-indexes for COICOP* will be calculated back to January 1987 (when the classification was last changed) or, for the series that are currently available with a start year after 1987, from their start year. However, data prior to 1987 are no longer available below section level, making it impossible to calculate indexes for COICOP* groups and lower levels for that period. Nevertheless, as the change is not due to take place before 2003, this means that a minimum of 17 years of data will be available for those components that have been continually collected since 1987.

Implementation

The current proposal is to introduce the new classification system in 2003, when annual weights data will be available from the Expenditure and Food Survey according to the COICOP framework for the first time.

For comparison purposes the ONS will continue to provide indexes according to the current classification for two years after implementation of the change.

Footnote

¹ The terminology for components in each of the classifications is as follows. In the current RPI classification system the largest units are called groups (e.g. group 21- FOOD), and each group contains a number of sections (e.g. section 2101 - Bread). For COICOP* the largest units are the divisions (e.g. division 1 - FOOD AND NON-ALCOHOLIC BEVERAGES). Each division contains a number groups (e.g. group 1.1 - Food). Each group contains between one and ten classes (e.g. class 1.1.1 - Bread and cereals), which themselves contain sections (e.g. 1.1.1.1 - Bread).

Annex: COICOP headings

1 FOOD AND NON-ALCOHOLIC BEVERAGES

- 1.1 Food
 - 1.1.1 Bread and cereals
 - 1.1.1.1 Bread
 - 1.1.1.2 Cereals
 - 1.1.1.3 Biscuits and cakes
 - 1.1.1.4 Pasta and pastry-cooked products
 - 1.1.2 Meat
 - 1.1.2.1 Beef
 - 1.1.2.2 Lamb
 - 1.1.2.3 Pork and bacon
 - 1.1.2.4 Poultry
 - 1.1.2.5 Other meat
 - 1.1.3 Fish
 - 1.1.3.1 Fresh fish
 - 1.1.3.2 Processed fish
 - 1.1.4 Milk, cheese and eggs
 - 1.1.5 Oils and fats
 - 1.1.6 Fruit
 - 1.1.7 Vegetables
 - 1.1.7.1 Fresh vegetables (including potatoes)
 - 1.1.7.2 Processed vegetables and vegetables preparations
 - 1.1.8 Sugar, jam, honey, chocolate and confectionery
 - 1.1.9 Food products n.e.c.
- 1.2 Non-alcoholic beverages
 - 1.2.1 Coffee, tea, cocoa and other hot drinks
 - 1.2.2 Mineral waters, soft drinks, fruit and vegetable juices

2 ALCOHOLIC BEVERAGES AND TOBACCO

- 2.1 Alcoholic beverages ('off' sales)
 - 2.1.1 Spirits
 - 2.1.2 Wine
 - 2.1.3 Beer
- 2.2 Tobacco
 - 2.2.0 Tobacco

3 CLOTHING AND FOOTWEAR

- 3.1 Clothing
 - 3.1.2 Garments
 - 3.1.2.1 Men's outerwear
 - 3.1.2.2 Women's outerwear
 - 3.1.2.3 Children's outerwear
 - 3.1.2.4 Other garments
 - 3.1.3/4 Other articles of clothing and clothing accessories & Cleaning, repair and hire of clothing

3.2 Footwear

- 3.2.1/2 Shoes and other footwear & Repair and hire of footwear

4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

- 4.1 Actual rentals for housing
 - 4.1.1/2 Actual rentals for housing
- 4.3 Maintenance and repair of the dwelling
 - 4.3.1 Materials for the maintenance and repair of the dwelling
 - 4.3.2 Services for the maintenance and repair of the dwelling
- 4.4 Water supply and miscellaneous services relating to the dwelling
 - 4.4.1 Water supply
 - 4.4.3 Sewerage collection
- 4.5 Electricity, gas and other fuels
 - 4.5.1 Electricity
 - 4.5.2 Gas
 - 4.5.3/4 Liquid and solid fuels
- 4.6 Owner-occupier housing costs
 - 4.6.1 Mortgage Interest Payments
 - 4.6.2 Council Tax
 - 4.6.3 Depreciation and ground rent

5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE

- 5.1 Furniture and furnishings, carpets and other floor coverings
 - 5.1.1 Furniture and furnishings
 - 5.1.2 Carpets and other floor coverings
- 5.2 Household textiles
 - 5.2.0 Household textiles
- 5.3 Household appliances
 - 5.3.1/2 Major and small household appliances whether electric or not
 - 5.3.3 Repair of household appliances
- 5.4 Glassware, tableware and household utensils
 - 5.4.0 Glassware, tableware and household utensils
- 5.5 Tools and equipment for house and garden
 - 5.5.1/2 Tools and equipment for house and garden
- 5.6 Goods and services for routine household maintenance
 - 5.6.1 Non-durable household goods
 - 5.6.2 Domestic services and household services

6 HEALTH

- 6.1 Medical products, appliances and equipment
 - 6.1.0 Medical products, appliances and equipment
- 6.2 Out-patient services
 - 6.2.0 Out-patient services

7 TRANSPORT

- 7.1 Purchase of vehicles
 - 7.1.1 Motor cars
 - 7.1.1.1 New cars (proxy)
 - 7.1.1.2 Second-hand cars
 - 7.1.2/3 Motor cycles and bicycles
- 7.2 Operation of personal transport equipment
 - 7.2.1 Spare parts and accessories for personal transport equipment
 - 7.2.2 Fuels and lubricants for personal transport equipment
 - 7.2.3 Maintenance and repair of personal transport equipment
 - 7.2.4 Other services in respect of personal transport equipment
- 7.3 Transport services
 - 7.3.1 Passenger transport by railway
 - 7.3.2 Passenger transport by road
 - 7.3.2.1 Bus/coach fares
 - 7.3.2.2 Taxi and minicab
 - 7.3.3/4 Passenger transport by air, sea and inland waterway
- 7.4 Annual Road Licence
 - 7.4.0 Annual Road Licence

8 COMMUNICATION

- 8.1 Postal services
 - 8.1.0 Postal services
- 8.2/3 Telephone and telefax equipment and services
 - 8.2/3.0 Telephone and telefax equipment and services

9 RECREATION AND CULTURE

- 9.1 Audio-visual, photographic and information processing equipment
 - 9.1.1/2 Equipment for the reception, recording and reproduction of sound and pictures & Photographic and cinematographic equipment and optical instruments
 - 9.1.3 Information processing equipment
 - 9.1.4 Recording media
 - 9.1.5 Repair of audio-visual, photographic, and information processing equipment
- 9.2 Other major durables for recreation and culture
 - 9.2.0 Other major durables for recreation and culture
- 9.3 Other recreational items and equipment, gardens and pets
 - 9.3.1/2 Games, toys and hobbies and equipment for sport, camping and open-air recreation
 - 9.3.3 Gardens, plants and flowers
 - 9.3.4 Pets and related products

- 9.3.5 Veterinary and other services for pets

- 9.4 Recreational and cultural services
 - 9.4.1 Recreational and sporting services
 - 9.4.2 Cultural services
 - 9.4.2.1 TV licences/rent
 - 9.4.2.2 Other cultural services

- 9.5 Newspapers, books and stationery
 - 9.5.1 Books
 - 9.5.2 Newspapers and periodicals
 - 9.5.4 Stationery and drawing materials
- 9.6 Package holidays
 - 9.6.0 Package holidays

10 EDUCATION

- 10.0 Education
 - 10.0.0 Education

11 RESTAURANTS AND HOTELS

- 11.1 Catering services
 - 11.1.1 Restaurants, cafés and the like
 - 11.1.1.1 Restaurant meals
 - 11.1.1.2 Take-aways and snacks
 - 11.1.1.3 Beer 'on' sales
 - 11.1.1.4 Wines and spirits 'on' sales
 - 11.1.2 Canteens
- 11.2 Accommodation services
 - 12.2.0 Accommodation services

12 MISCELLANEOUS GOODS AND SERVICES

- 12.1 Personal care
 - 12.1.1 Hairdressing salons and personal grooming establishments
 - 12.1.2/3 Appliances, articles and products for personal care
- 12.3 Personal effects n.e.c.
 - 12.3.1 Jewellery, clocks and watches
 - 12.3.2 Other personal effects
- 12.4 Social protection
 - 12.4.0 Social protection
- 12.5 Insurance
 - 12.5.1/3/5 Life, health and other insurance
 - 12.5.2 Insurance connected with the dwelling
 - 12.5.4 Insurance connected with transport
- 12.6 Financial services n.e.c.
 - 12.6.2 Financial services n.e.c.
- 12.7 Other services n.e.c.
 - 12.7.0 Other services n.e.c.
- 12.8 House-buying services
 - 12.8.0 House-buying services

Time Use Data in the Household Satellite Account - October 2000

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Summary

- This article looks at using time use data to estimate the labour input to unpaid household work. Time use surveys for 1995 and 1999 are compared while recognising that these surveys have many limitations.
- On average people spend double the amount of time in unpaid household work as in paid work.
- Gender breakdowns show that women spend more time than men on all unpaid household work. Men spend more time on maintenance, odd jobs, DIY, gardening and pet care. Analyses of those working and not working and of parents' time use, as well as by the reason for being at home are included.
- Provisional estimates for the value of unpaid work based on the 1999 data have been calculated - these range from 44% of GDP to 104%.
- An outline of the UK Time Use Survey 2000, which began in June 2000 and ends in July 2001, is included.

Background

The Office for National Statistics (ONS) has begun a programme of work to measure and value unpaid work. This will be a satellite account, i.e. linked to the main National Accounts, with the work being carried out by the Economic Initiatives Branch in the Economic Assessment and Strategy Division.

In order to identify those activities carried out in the household which are 'productive', the third person criteria is used. This means that if another person could carry out that activity for you it is classified as productive, whereas, if only you can carry out an activity then it should be excluded. For example taking care of a child is productive according to the third person criteria sense, as you can pay someone else to look after your child, while going to the cinema is not as nobody else can do this for you.

As outlined in the Eurostat working paper 'Proposal for a Satellite Account of Household Production' ⁽¹⁾, household production has five principal functions. These are providing housing, providing nutrition, providing clothing, providing care and education, and voluntary work. Each of these principal functions has an output, which involves a principal activity plus various ancillary activities. For example, in the principal function of providing nutrition, the output is meals and the principal activity is food preparation. A number of ancillary activities are necessary so that food preparation can take place. These include shopping for groceries and for cooking appliances, gardening in the form of tending edible plants, washing up, travel to shops, and management including the planning of meals.

The programme of work currently being undertaken by the ONS is made up of a number of projects, which look at measuring household production in terms of both outputs and inputs. A wide range of data sources are currently being investigated in order to measure the outputs of households.

This article looks only at the labour input to the household satellite account. The other inputs are intermediate consumption and capital goods, which with labour are used in the various productive household activities. The labour element can be measured by the time spent in the productive activity and estimates of this are obtained from time use surveys.

Time Use Data

The ONS has carried out two time use surveys in Great Britain - one in May 1995 and one in May 1999 - as part of the Omnibus survey. These surveys were both 'simple' diary exercises rather than large scale self-reporting diaries.

The 1995 Survey

The survey was commissioned by the Central Statistical Office (CSO now part of ONS) and the methodology developed by the ESRC Research Centre on Microsocial Change at Essex University. A six page booklet was designed containing instructions and a day schedule, broken down into fifteen minute intervals and thirty pre-coded activities (see annex A), designed for both self response and interviewer completion.

The instrument was included as part of the May 1995 Office for Population Census and Surveys (OPCS now part of ONS) Omnibus Survey. Over 2,000 Omnibus respondents were asked to provide details of their activities on a designated day. This produced a small but nationally representative dataset. A report on the time use diary was written by J Gershuny and R Smith of the ESRC⁽²⁾.

The 1999 survey

This survey was commissioned by the Department of Environment, Transport and the Regions (DETR), who have a particular interest in travelling habits. The instrument used the same design as in 1995 but included more detail on travel purpose and mode (see annex A). Again

the instrument was included as part of the May Omnibus survey and went to over 1,900 respondents. A technical report ⁽³⁾ is available as part of the ONS Omnibus series.

Response Rates

The response rate is defined as the number of achieved interviews as a percentage of the eligible sample. In 1995 the response rate was 75% and all of the 2005 individuals who were interviewed provided time diaries. The response rate in 1999 was 70%. Of the 1,913 individuals who were interviewed in 1999, 1,777 (93%) completed time diaries. It should be remembered that, while this is a nationally representative survey, it is based on a fairly small number of respondents. This means that for breakdowns such as gender, employment or the reasons for being at home, the sample sizes in some cases are very small, and therefore become unreliable.

Producing the Results

With any survey of this type the results are dependent on the accuracy and care of respondents when completing the time diaries. Whilst the vast majority of diaries are fully completed, in some instances one or more fifteen minute time slots may be missed. Where single fifteen minute time slots are not completed these periods have been imputed by repeating the activity from the preceding time slot. In some instances a block of time slots in the early morning or late night have been missed. This is thought to be the result of someone forgetting to complete the diary for their sleep periods. The report by J Gershuny and R Smith⁽²⁾ recommends that those diaries where five or less changes in activity are recorded in a day may be unreliable.

The data collected for both 1995 and 1999 has been put through a cleaning process and the results used in this article only include respondents who:

- (i) completed all the time slots in the days schedule;
- (ii) had single fifteen minute time slots of data missing which could sensibly be imputed by repeating the code entered for the previous time slot;
- (iii) left a group of time slots empty at the beginning or end of the day which could logically be imputed as washing and dressing and/or sleep time

and, after the above

- (iv) had recorded more than five changes in activity during the day.

Using these criteria data in this article are based on 1,768 respondents out of 2,005 for 1995 and 1,623 of the 1,777 time diaries for 1999.

The results in this article have been weighted. Because only one household member is interviewed, people in households containing few adults

have a better chance of selection than those with many adults, and the weighting corrects for this. It does not attempt to correct for any non-response bias. A full description of the weighting applied can be found in the 1999 technical report ⁽³⁾.

Previously published data

Published 1995 data

1995 time use data from the Omnibus survey has previously appeared in the following publications:

- *Where Have All the Hours Gone? Measuring Time Use in the UK* by Mike Koudra, Jenny Church and Linda Murgatroyd, published in Statistical News Spring 1996
- *A Household Satellite Account for the UK* by Linda Murgatroyd and Henry Neuburger, published in Economic Trends No. 527 October 1997
- *Social Trends 26 Tables 13.2 and 13.4*, published by HMSO
- *Social Trends 27 Table 13.2*, published by HMSO

The 1995 data used in the above publications was based on the entire 2,005 sample. Missing data was imputed in the same way as described earlier in this article. However, rather than excluding respondents where data could not be imputed these periods were recorded as missing data and the record was still used. Also those respondents who recorded five or less changes of activity in a day were included. There are, therefore, differences between the 1995 data previously published and the results included here.

Published 1999 data

DETR published an article titled 'Using Omnibus Surveys to Investigate Travel' in Transport Trends (March 2000). This article used a different selection process to the one outlined above and also focussed entirely on travel.

Time Use in 1995 and 1999

For the household satellite account our primary interest is in household production. Each of the codes in the pre-coded diaries has been allocated, where possible, to the five production headings as follows:

Production Heading	Time use code
Providing Housing	Cleaning house, tidying Maintenance, odd jobs, DIY
Providing Nutrition	Cooking, baking, washing up
Providing Clothing	Clothes, washing, ironing, sewing etc
Providing Care & Education	Care of own children and play Care of adults in own home
Voluntary Work	Helping people outside home, charities Religious, political, other meetings

The code for 'religious, political, other meetings' has been included in voluntary work although this will be an overestimate for this production heading as the code does include going to church, political events etc.

There are three activity codes which could not be allocated in this way. They have, for the time being, been put in an 'Other Productive Codes' category:

- Travel has not been allocated, because in order to do so we would need to identify the purpose of travel, i.e. whether it is for work, shopping, taking children to school etc. Travel related to going to work, college or leisure activities should be excluded from household production. Travel to work is an unpaid ancillary service to paid work. In the 1999 survey, travel was recorded separately for 'travel for own personal reasons', which should include travel to work or the supermarket etc., and 'travel for other reasons', including taking children to school or driving your wife to the station etc. The results showed 80% of travel as being for personal reasons and 20% for other reasons. However, it is thought that respondents might have misunderstood the instructions, and included trips to work or on business in 'travel for other reasons'. The National Travel Survey (NTS) includes about 12% of trips as escort trips for adults age 17+, but the time spent is probably less than this as these tend to be shortish trips.

- The code for 'shopping, appointments' has also not been allocated. Appointments may be productive if you were taking a child to a dental appointment (i.e. part of providing care). However, if it is for a personal appointment, such as going to the dentist or the hairdressers, the appointment is not productive and should be excluded from the household account. Shopping needs to be split between the five headings according to whether it is for groceries, clothing, DIY etc. There is also the issue of whether shopping from home either via mail order, the phone or the internet has been recorded in this code or not. Shopping is increasingly becoming a leisure activity, and the purely leisure element should be excluded from the household account.

- The last code in this category is for 'gardening, pet care'. This needs to be split between tending vegetables - part of providing nutrition, tending ornamental gardens - part of providing housing, and pet care, which forms part of providing care and education.

No attempt has been made to split these codes at this stage, as there is very little reliable information on which to base any such breakdowns. It is hoped that the UK Time Use Survey 2000 currently being carried out (see later in this article) will provide a basis for these breakdowns.

Table 1 shows the resultant figures for the total average minutes per day spent by over 16 year olds in Great Britain for the household satellite

account production headings, paid work and non-productive codes in 1995 and 1999. Paid work has been shown separately for comparison, but it is already included in the National Accounts. The category 'non-productive codes' contains all other time use activities including sleep, rest, washing, dressing, eating and leisure activities.

Table 1
Time Use Average Minutes per Day by Productive Activities by Over 16's in Great Britain

	1995 minutes per day	%	1999 minutes per day	%
Providing Housing	44	3	46	3
Providing Nutrition	50	3	48	3
Providing Clothing	15	1	13	1
Providing Care & Education	28	2	28	2
Voluntary Work	14	1	11	1
Other 'Productive' Codes	112	8	136	9
Total Household Production	262*	18	282*	20
Paid Work	171	12	150	10
Non 'Productive' Codes	1007	70	1008	70
Total Day	1440	100	1440	100

Note: Values may not add to the total due to rounding

* See following section on sampling variability

The time use estimates in this article are average values calculated from fairly small simple diary exercises. The data is therefore subject to sampling variability, which means that the estimates given could be higher or lower than the true value. The average time spent on household production in 1995 is 262 minutes per day. The 95% confidence interval for this value varies from 250 minutes to 274 minutes. Average household production in 1999 of 282 minutes similarly varies between 272 minutes and 293 minutes, from the 95% confidence interval. So the change shown in the above table could be due entirely to sampling variability. Additionally, the change in the questionnaire between 1995 and 1999 to focus on travel has, as already described, had an impact on travel and paid work and therefore on household production when comparing the two years. This change may have had a less obvious effect on other codes in the survey.

The five household production categories shown in table 1 are unchanged in percentage terms between 1995 and 1999. There is a 24 minute increase in the 'other productive codes' category. This is largely due to an apparent and statistically significant increase in travel from 48 minutes in 1995 to 74 minutes in 1999. However, this increase may be due to the emphasis given to travel in the 1999 survey prompting re-

spondents to think more about their travelling time than in the 1995 survey. While the estimate for travel increased by 26 minutes between 1995 and 1999, that for paid work outside the home decreased by 21 minutes, suggesting that in 1995 some travel may have been misreported as paid work. In both years some respondents appear to have recorded the entire period from the time they left home to when they returned as paid work. Of those who reported time in paid work outside the home, 13.5% recorded no travelling time in 1995 and 5.4% in 1999. The diaries for those in paid work showed that they spent about 3 hours per week less in paid work in 1999 than in 1995. The Labour Force

Survey showed a 30 minute fall over the same period. This supports the theory that paid work in 1995 is overestimated because some respondents included their travelling time to work as paid work.

According to the 1999 survey, household production accounted for 20% of the day on average. However, this is an over-estimate due to the problems with allocating codes, particularly travel. The figure is still well above the 10% of time spent on paid work. Full breakdowns of all the time use data are given in tables 2 and 3. The tables include the sampling variability for each heading based on 95% confidence intervals.

Table 2
Time Use Average Minutes per Day by Activity by Over 16's in Great Britain, 1995

		All	SV	Male	SV	Female	SV
Providing Housing	Cleaning house, tidying	31	(±3)	11	(±2)	50	(±5)
	Maintenance, odd jobs, DIY	13	(±3)	21	(±6)	5	(±2)
Providing Nutrition	Cooking, baking, washing up	50	(±4)	29	(±4)	70	(±6)
Providing Clothing	Clothes, washing, ironing, sewing etc	15	(±2)	3	(±1)	26	(±5)
Providing Care and Education	Care of own children and play	26	(±4)	15	(±4)	36	(±6)
	Care of adults in own home	3	(±1)	2	(±2)	3	(±1)
Voluntary Work	Helping people outside home, charities	9	(±3)	7	(±4)	10	(±4)
	Religious, political, other meetings	5	(±1)	4	(±2)	6	(±2)
Other 'productive' codes	Travel	48	(±5)	52	(±6)	45	(±6)
	Shopping, appointments	37	(±4)	26	(±4)	48	(±5)
	Gardening, pet care	26	(±5)	32	(±8)	19	(±5)
Codes not required for the Household Satellite Account							
	Sleep, rest	509	(±7)	499	(±10)	518	(±9)
	Washing, dressing	45	(±3)	41	(±3)	49	(±4)
	Eating at home	63	(±3)	60	(±4)	66	(±4)
	Paid work	167	(±14)	214	(±18)	121	(±17)
	Courses and education outside home	16	(±4)	22	(±7)	10	(±4)
	Breaks and meals at work or study	12	(±2)	15	(±3)	9	(±2)
	Study at home	11	(±3)	11	(±5)	11	(±4)
	Paid work at home	4	(±1)	5	(±2)	4	(±2)
	TV, radio	157	(±9)	162	(±13)	152	(±11)
	Talking, visited by friends, phone calls	27	(±3)	18	(±4)	35	(±5)
	Reading	26	(±3)	27	(±4)	25	(±4)
	Hobbies, games, computing, music	20	(±4)	22	(±6)	18	(±5)
	Eating, drinking out	33	(±5)	41	(±6)	25	(±6)
	Visiting friends (may include eating)	39	(±5)	40	(±7)	39	(±6)
	Sports participation, exercise	11	(±3)	16	(±5)	7	(±2)
	Walks, outings etc	19	(±3)	25	(±6)	14	(±4)
	Concerts, theatre, sports spectacles etc	5	(±2)	4	(±2)	5	(±2)
	Doing nothing	11	(±4)	10	(±4)	12	(±5)
	Other, not elsewhere specified	3	(±2)	3	(±2)	3	(±2)
Total Day		1440		1440		1440	

Note: Values may not add to the total due to rounding. SV is the sampling variability.

Table 3
Time Use Average Minutes per Day by Activity by Over 16's in Great Britain, 1999

		All	SV	Male	SV	Female	SV
Providing Housing	Cleaning house, tidying	33	(±4)	13	(±3)	51	(±5)
	Maintenance, odd jobs, DIY	13	(±3)	20	(±6)	8	(±3)
Providing Nutrition	Cooking, baking, washing up	48	(±3)	28	(±3)	65	(±5)
Providing Clothing	Clothes, washing, ironing, sewing etc	13	(±2)	3	(±1)	22	(±3)
Providing Care and Education	Care of own children and play	25	(±3)	13	(±5)	36	(±5)
	Care of adults in own home	3	(±1)	3	(±2)	2	(±2)
Voluntary Work	Helping people outside home, charities	6	(±2)	6	(±3)	6	(±2)
	Religious, political, other meetings	5	(±2)	4	(±2)	6	(±2)
Other 'productive' codes	Travel	74	(±4)	79	(±7)	69	(±5)
	Shopping, appointments	33	(±3)	26	(±4)	40	(±4)
	Gardening, pet care	29	(±4)	39	(±7)	20	(±4)
Codes not required for the Household Satellite Account							
	Sleep, rest	509	(±6)	497	(±9)	520	(±8)
	Washing, dressing	45	(±2)	41	(±3)	49	(±3)
	Eating at home	61	(±3)	59	(±4)	63	(±4)
	Paid work	145	(±12)	189	(±19)	106	(±15)
	Courses and education outside home	12	(±4)	12	(±5)	11	(±5)
	Breaks and meals at work or study	11	(±2)	12	(±2)	9	(±2)
	Study at home	9	(±3)	10	(±5)	8	(±4)
	Paid work at home	4	(±2)	4	(±3)	4	(±3)
	TV, radio	168	(±9)	179	(±15)	157	(±12)
	Talking, visited by friends, phone calls	28	(±3)	20	(±4)	35	(±5)
	Reading	26	(±3)	25	(±5)	27	(±4)
	Hobbies, games, computing, music	21	(±4)	28	(±6)	15	(±4)
	Eating, drinking out	28	(±4)	37	(±7)	21	(±5)
	Visiting friends (may include eating)	40	(±5)	41	(±7)	39	(±7)
	Sports participation, exercise	12	(±3)	15	(±4)	9	(±4)
	Walks, outings etc	15	(±4)	14	(±6)	15	(±4)
	Concerts, theatre, sports spectacles etc	4	(±2)	4	(±3)	4	(±2)
	Doing nothing	10	(±3)	10	(±3)	10	(±4)
	Other, not elsewhere specified	9	(±2)	8	(±3)	11	(±4)
Total Day		1440		1440		1440	

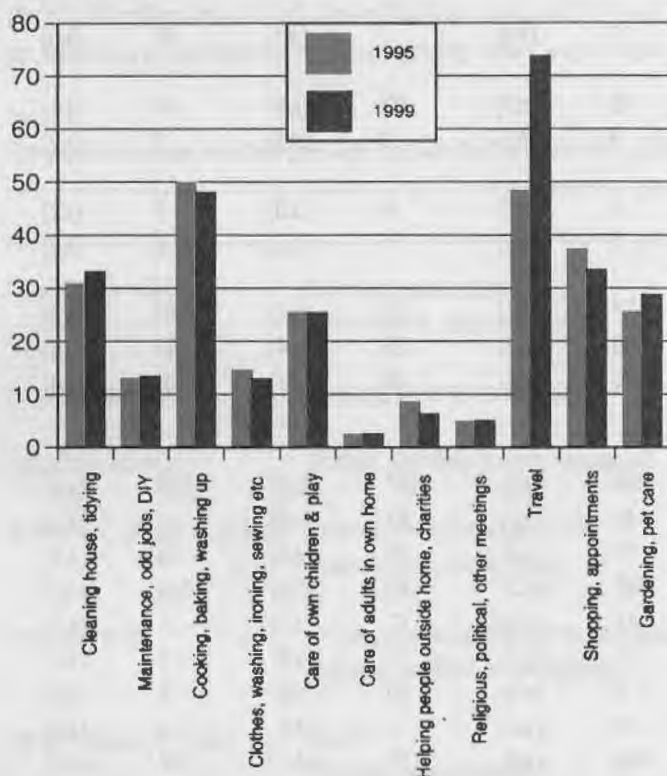
Note: Values may not add to the total due to rounding. SV is the sampling variability.

The individual household production codes are shown in chart 1 for both 1995 and 1999. The apparent increase in travel is clear. The next largest change between the two years is in the 'shopping, appointments' code which declined by 4 minutes.

Chart 1

Time Use in Household Production by Year - Over 16's in Great Britain

minutes per day



Additional Breakdowns

The Omnibus Survey includes a range of other questions about the household or the individual and when this information is linked to the time diary data, a number of breakdowns by various socio-economic classifications can be produced. Results for these breakdowns become less reliable than the overall results as they are based on smaller numbers of respondents, and the previous comments on sampling variability should be borne in mind.

Gender Differences

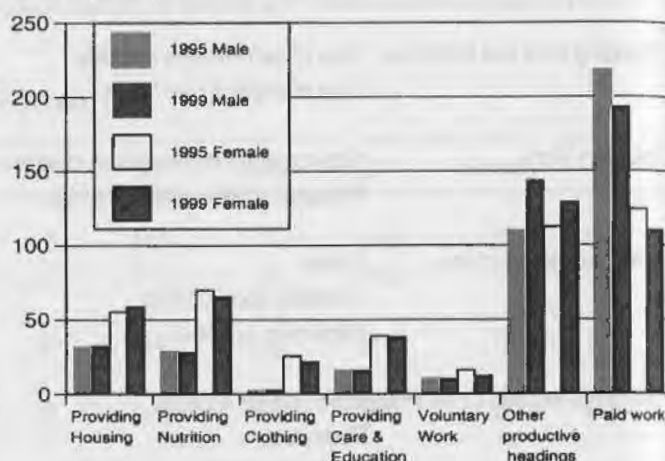
The main production categories are broken down by gender in chart 2. Both males and females spent a similar amount of time on each of the categories in 1999 as in 1995. The major increases in the 'other' productive code were, as already noted, due to travel, with paid work showing a corresponding decrease. In total in each of the five main categories, women spent more time on household production than men. From tables 2 and 3 it can be seen that men spent much more time than women on 'maintenance, odd jobs, DIY' and 'gardening, pet care' in both 1995 and

1999. In 1999, men spent more time on 'care of adults in own home' than women, in contrast to 1995 where women spent more time. However, the differences are a very small two and three minutes respectively. In 1999, men and women spent the same amount of time (6 minutes) 'helping people outside home, charities'.

Chart 2

Time Use in Household Production and Paid Work by Gender - Over 16's in Great Britain

minutes per day



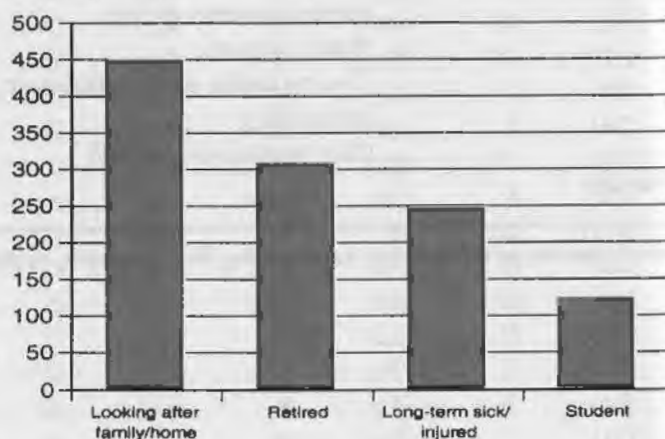
Reason for being at home

As part of the survey respondents are asked their 'main reason for not seeking work'. The time spent on household production by reason for not seeking work in 1999 is shown in chart 3.

Chart 3

Time Use in Household Production by Main Reason for Not Seeking Work 1999 - Over 16's in Great Britain

minutes per day



There were too few respondents in the categories 'career breaks', 'temporarily sick/injured' and 'other reasons' to produce meaningful results.

Those staying at home to look after family / home spent on average 90 minutes a day on 'care of own children and play', 84 minutes on 'cooking, baking, washing up' and 71 minutes 'cleaning house, tidying'. The retired spent an average of 65 minutes per day on 'cooking, baking, washing up' and 55 minutes on 'gardening, pet care'. The retired are the group who spend more time than any other, 7 minutes on average per day, on 'care of adults in own home'.

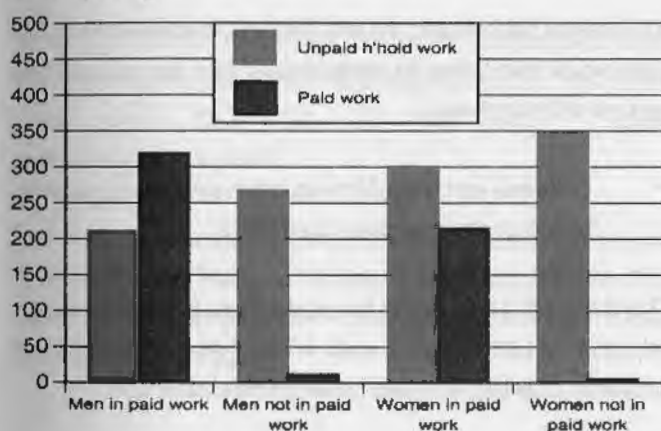
Working and Not Working

The Omnibus survey asks respondents whether they 'were in paid work in the last 7 days ending Sunday'. This question can be used to look at differences in household production between those working and those not working, this has also been split by gender for 1999 in chart 4.

Chart 4

Time Use in Household Production by Employment Status and Gender 1999 - Over 16's in Great Britain

minutes per day



Respondents who said they had not been in work in the last seven days ending Sunday, may have actually been in work during the following week when their diaries were completed. Hence those included here as 'not in paid work' did report a small amount of paid work in their time use diaries. Women in paid work spent more of their time on average on unpaid household work than on paid work. This may be because this category includes women who work part time. Men and women in paid work on average spent approximately 50 minutes less time on household production per day than those not in paid work.

Parents' Time

Those with children under 16 living in the household spend an average of 73 minutes a day caring for them (see chart 5). Female parents spend just over double the amount of time that male parents spend caring for and playing with their children. Those with children under 16 spend 7 minutes more per day on average on other (i.e. not including care of children) unpaid household work than those without children.

Those with no children living in the household, did report spending on average 4 minutes per day on 'care of own children and play'. This may reflect time spent caring for children who live with another parent, but the code also appears to have been used erroneously by some respondents when caring for other people's children.

Chart 5

Unpaid Household Production by Parents 1999 - Over 16's in Great Britain

minutes per day



Valuation

Household production can be valued in a number of ways. The article by Henry Neuberger and Linda Murgatroyd⁽⁴⁾ used the 1995 time use data to make estimates of the labour input to household production and compare them with Gross Domestic Product (GDP). Since that time, there have been a number of changes both to the National Accounts and to the household satellite account methodology. This means that the calculations presented here for 1999 are NOT comparable with the earlier results for the following reasons:

- Washing, dressing and education are no longer included in household production.
- The National Accounts are now based on the European System of Accounts 1995.
- Reported travel has been included in unpaid work in both 1995 and 1999. The mis-reporting of some travel as paid work in 1995 results in a large difference in the ratio of unpaid to paid work between the two years.
- An improvement to the weighting used in the formulae to value work by gender has been introduced.

It should also be noted that this time use data collected using the ONS Omnibus relate only to Great Britain and the valuation process used links them to the United Kingdom National Accounts.

Table 4
1999 Estimates of the Value of Unpaid Work in the Household

Base	Compensation of employees		Wages & salaries	
	£b	% of GDP	£b	% of GDP
Unpaid work valued as paid	929	104%	805	90%
Unpaid valued as paid by gender	763	86%	662	74%
Unpaid valued at rate of domestic work	447	50%	388	44%

All of the calculations above are based on calculating a ratio of average unpaid minutes per day to average paid minutes per day and then applying this ratio to the value of compensation of employees (which includes employers' social security contributions) and wages and salaries (which does not). The first row is based on the average total time spent by men and women combined - from table 1 the appropriate figures are 282/150, giving a ratio of 1.89. The ratio in the second row uses unpaid and paid time for men and women separately, gender specific average pay rates taken from the New Earnings Survey plus the appropriate weighting. The ratio in the final row maintains the gender breakdown and uses the gender specific pay rates for 'domestic staff and related occupations'.

ONS is currently developing a methodology to measure and value the outputs of household production (i.e. the number of meals prepared, children cared for etc.), which will then allow the calculation of the value of labour by residual. By combining information on inputs and outputs, we hope to produce a more complete picture of the value of household production. This work is due to be completed at the end of 2001.

The Future - UK Time Use Survey 2000

ONS has commissioned Ipsos-RSL to carry out a UK Time Use Survey. This is co-funded by ONS, the Department of Environment Transport and the Regions, the Department for Culture Media and Sport, the Department for Education and Employment, the Department of Health and the Economic and Social Research Council. Fieldwork began in June of this year and will continue for twelve months. Over the year a sample of 11,000 households will be approached. Some will be non-contactable, ineligible or will not respond. It is therefore estimated that responses will be achieved from about 12,000 individuals within these households.

Households are being asked to complete the following:

- Household questionnaire - to be completed by an adult member of the household.
- Individual questionnaire - to be completed by all over 16 year olds in the household.
- Individual questionnaire for household members under 16 - to be completed by all household members aged between 8 and 16.

The household and individual questionnaires collect information on the structure of the household and the relationships between its members as well as the accommodation, economic status, interests and activities, health and looks at help given and received.

- One-day diary - to be completed by all over 13 year olds in the household
- One-day diary for respondents aged 8 to 13 - to be completed by all individuals aged between 8 and 13.

The one-day diaries collect the time use data. Respondents will complete two 24 hour diaries, for predetermined days, one on a week day and one at the weekend.

- One-week work and full time education sheet - to be completed by all household members aged over 8.

This sheet is simply for people to record the time they are at work or in education for each day of the week, in both their main job or full time education, other paid work and travelling time whilst at work.

The Time Use Data

As the estimated 12,000 respondents will be completing two diaries we should have around 24,000 time use diaries. In contrast to the Omnibus surveys where activities were pre-coded, respondents will be able to write a brief description of their activities in their own words. These activities will then be coded when the information is processed. Rather than having about 30 codes, this survey will have just over 170 3-digit activity codes. This detailed coding should enable us to allocate activities correctly to each of the household production headings. It may also then give us a basis for splitting those codes in 1995 and 1999 which do not fall only into one heading. This is of course dependent upon respondents completing the diaries and writing in enough detail for the activity to be correctly coded. For example, if the respondent simply writes shopping, we would still not know whether this was for groceries, clothing or DIY.

The time diaries will also collect information on secondary activities. For example, if you are eating breakfast this would be the main activity and if you read the newspaper at the same time this is a secondary activity.

In the 1995 and 1999 Omnibus surveys, childcare was only recorded if it was the main activity, but often childcare takes place while another activity is being done. For example, when someone is watching television or going shopping, if they are responsible for a child at the same time they are still providing child care. The UK Time Use Survey 2000 will provide information about care taking place as a secondary activity, but may not when a respondent is providing passive care (i.e. they must be in the house to provide care when necessary but are not actually involved in 'care' activities). Nonetheless, it will provide important information about the known under-recording of care in the Omnibus diaries. Respondents are also asked to record where they were for each activity and whether they were with anybody else.

The UK Time Use Survey will be complete at the end of July 2001 and cleaning and editing of the data will begin at this time with first results expected by the end of the year. In the meantime work is continuing on developing an output based household satellite account.

More information on the UK Time Use Survey 2000 can be obtained from June Bowman, Socio-Economic Division, ONS, B2/02, 1 Drummond Gate, SW1V 2QQ Tel: 020 7533 5878 E-mail: June.Bowman@ons.gov.uk

More information on the Household Satellite Account can be obtained from Sue Holloway, Economic Assessment and Strategy Division, ONS, D4/19, 1 Drummond Gate, SW1V 2QQ Tel: 020 7533 5975 E-mail: Sue.Holloway@ons.gov.uk

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- 1 Eurostat Working Papers 9/1999/A4/11 *Proposal for a Satellite Account of Household Production* published 21/5/1999(2)
- 2 Gershuny J and Smith R *Report to the Central Statistical Office on the development of a simple diary schedule*, October 1995
- 3 *The ONS Omnibus series produced by the ONS for DETR Module 230 - Time Use May 1999 Unweighted.*
- 4 Murgatroyd L and Neuberger H *A Household Satellite Account for the UK*, Economic Trends No. 527 October 1997

Annex A - Time Use Survey Coding

1995	1999	Activity
1	1	Sleep, rest
2	2	Washing, dressing
3	3	Cooking, baking, washing up
4	4	Eating at home
5	5	Care of own children and play
6	6	Care of adults in own home
7	-	Travel
-	7	Travel for own personal reasons
-	8	Travel for other reasons
-	9	How you travelled (at code 7 or 8)
8	10	Paid work
9	11	Courses and education outside home
10	12	Breaks and meals at work or study
11	13	Shopping, appointments
12	14	Helping people outside home, charities
13	15	Cleaning house, tidying
14	16	Clothes washing, ironing, sewing etc
15	17	Maintenance, odd jobs, DIY
16	18	Gardening, pet care
17	19	Study at home
18	20	Paid work at home
19	21	TV, radio
20	22	Talking, visited by friends, telephone calls
21	23	Reading
22	24	Hobbies, games, computing, music
23	25	Eating, drinking out, (pubs, restaurant)
24	26	Visiting friends (may include eating)
25	27	Sports participation, exercising
26	-	Walks, outings etc
-	28	Outings by car, bus, train or bike; walks
-	29	How you travelled on your outing
27	30	Concerts, theatre, cinema, sport spectacles
28	31	Religious, political, other meetings
29	32	Doing nothing (may include illness)
30	33	Other, not elsewhere specified

Update and Review of the Regional Household Accounts Methodology

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National Statistics will shortly publish estimates of Regional Household Income for the years 1990 to 1998, consistent with National Accounts Blue Book 1999 control totals. As part of an ongoing methodological review, and the updating of the Regional Household Accounts production systems, the processes used to calculate a number of the regional components have been reviewed and updated. The following provides a broad overview of both the methodological and system changes that have occurred.

ESA95

The European System of Accounts 1995 (ESA95) was implemented at the national level in 1998. The ESA95 principles were extended to the Regional Household Sector Accounts published in October last year, based on Blue Book 1999 controls. The revisions detailed in this article are part of a further refinement of the ESA95 principles as well as an ongoing process of improvement of our methods.

The revisions outlined in this article have affected the Regional allocation of both Total and Disposable Household Sector Income.

Total Household Sector Income

This refers to the total income of the Household Sector. Total Household Sector Income includes 'actual' or 'real' cash incomes to the Household Sector¹ such as the income from employment and government benefits. In addition to the 'actual' income available to the Household Sector, this also encompasses the *estimated* value of indirect returns such as the worth of accommodation services produced by home-owners (explained below).

It should be noted that a number of Total Household Sector Income components are allocated to Regions using samples of Inland Revenue and other data as the indicator. In a number of cases these indicator data contain sufficiently high levels of sampling error to require smoothing across each regional time-series. This year the smoothing methods used in the calculation of certain components of Household Sector Income have been improved. All changes are listed below.

- Regional Wages and Salaries, i.e. the earnings available to Households from employment, are now linked to the Wages and Salaries estimates calculated for residence-based Gross Domestic Product (GDP).

- The regional estimation of the Income from Investments held by the Household Sector (i.e. savings accounts and securities) has also undergone revision. The methods we use to smooth regional indicator data were originally based on Inland Revenue standard error estimates calculated some years ago. An alternate smoothing method has been applied to these, which more accurately reflects recent regional trends.
- The method used to apportion the Gross Operating Surplus of Households (GOS) to regions has also been updated. The apportionment of Household GOS to regions uses Household Sector Rent, (the value of the accommodation 'service' both generated and consumed by home-owners), as the indicator. The method used to calculate Regional Household Rent has been improved and is directly based on the process used to calculate this component of Regional Gross Domestic Product. This method was detailed fully in the Regional Accounts article published in the August 2000 edition of *Economic Trends*.

In addition, there have been a number of updates to the methods used to allocate cash benefits (both government and private), included in Total Household Sector Income:

- The allocation of Jobseekers Allowance, Income Support and Redundancy Fund Benefits across regions are now based on Claimant Count unemployment. This switch of data sources was implemented because it was considered that unemployment data would provide an improved regional reflection of the benefits received by Households, and also, these estimates were more readily available on the latest Government Office Region basis from 1996 onwards.

- The process used to calculate regional estimates of Statutory Sick and Maternity pay received by households has been reconsidered. The smoothing of the indicator data has now been brought onto a standardised basis, consistent with that used elsewhere in the Household Accounts.
- The most notable change to the Social Benefits component of the Total Household Income series concerns how State, Unfunded (Local and Central Government) and Private pension schemes are attributed to regions. Taken together, these account for well over half of total Social Benefits in cash. This year a more appropriate combined indicator for all three elements of pensions has become available from the Inland Revenue. The controls for these were combined and allocated to regions as one total, since it was considered that this method would be more consistent and accurate than using separate indicators for each. Also, the pensions system has now been brought on to a fully ESA95-consistent basis. The latter has involved some changes to the indicator data, and the smoothing techniques which are employed.

Disposable Household Sector Income

In short, this is income actually available to Households to spend. It is calculated by deducting (direct) Current Taxes / Contributions paid on Income and Wealth (i.e. Income Tax, National Insurance and Pension Contributions) from Total Household Income. There have been a series of improvements to how Employees and Employers Social Contributions and Taxes on Income and Wealth are allocated to regions.

- The system used to calculate regional taxes on income and wealth has undergone changes similar to the revisions applied to the smoothing of Regional pensions. Specifically, the methodology has been updated to reflect current trends at the regional level.
- The changes made to the regional allocation of Employees Social Contributions are similar to those made to the calculation of regional investments. These data use Inland Revenue Regional indicators, and the process used to smooth these indicator data has now been brought into line with the methods used elsewhere in the Household Sector Accounts.

Future Changes

Consistent with the aims of National Statistics, the methodologies employed in the production of the Regional Household Accounts estimates are under continual review. A more detailed explanation of the changes made this year, future plans, as well as the latest estimates of Regional Household Sector Income will be published in the November 2000 edition of *Economic Trends*.

Footnotes

¹ The Household Sector includes Households as well as Non-Profit Institutions serving Households (NPISHs), which consist of non-profit organisations such as charities.